As of 11 a.m. ET **DJIA** 10227.47 ▲ 0.54% **FTSE 100** 5260.31 ▼ 0.80% **Nikkei 225** 10512.69 ▼ 0.74% **Shanghai Comp.** 3094.41 ▼ 1.09% **Hang Seng** 20598.55 ▼ 0.62% **Sensex** 16780.46 ▼ 0.47% **S&P/ASX 200** 4717.86 ▼ 0.69%

PGA Tour begins to pay a price for Tiger Woods's absence
IN DEPTH 14-15

Najib and Anwar on Malaysia's 'Allah' debate
EDITORIAL & OPINION 13

Australia: A$6.00(Incl GST), Brunei: B$5.00, China: RMB25.00, Hong Kong: HK$18.00, India: Rs25.00, Indonesia: Rp18,000(Ind PPN), Japan: Yen500(Incl JCT), Korea: Won2,500, Malaysia: RM6.00, Pakistan: Rs80.00, Philippines: Peso80.00, Singapore: S$4.00(Incl GST), Sri Lanka: Srs180(Ind VAT), Taiwan: NT$60.00, Thailand: Baht50.00, Vietnam: US$2.50
KKDN PPS 648/11/2010 (028507) KKDN PP 9315/10/2010 (025811) MICA (P) NO. 048/10/2009 SK MENPEN R.I. NO: 01/SK/MENPEN/SCJ/1998 TGL 4 SEPT 1998

THE WALL STREET JOURNAL.

VOL. XXXIV NO. 104 (India facsimile Vol. 1 No. 165) * * ASIA Tuesday, January 26, 2010

DOWJONES A NEWS CORPORATION COMPANY asia.WSJ.com

Ethiopian plane crashes into Mediterranean

Agence France-Presse/Getty Images

An Ethiopian Airlines plane carrying 90 people caught fire and crashed into the Mediterranean Sea minutes after taking off from Beirut, Lebanon, early Monday, setting off a frantic search as debris washed ashore. No survivors had been found by nightfall, but emergency workers recovered at least 34 bodies. Above, Lebanese soldiers take part in the search operation.

Whitacre is permanent chief at GM

By Jeff Bennett

DETROIT—**General Motors** Co.'s interim chief executive, Edward E. Whitacre Jr., is permanently taking over the top leadership position and the company has ended a search for a successor, the car maker said Monday.

GM also said its board was committed to pay back by June in full its $8.1 billion in loans from the U.S. Treasury and the Canadian and Ontario governments. The governments extended the funds last year as part of GM's bankruptcy reorganization.

In the announcements, made at the company's headquarters in Detroit, GM said it won't be looking for a successor while Mr. Whitacre is in the position.

"The board of directors asked if I would be willing to stay on at GM and help continue the company's road back to success," Mr. Whitacre said in a statement.

"Having spent the past few months learning the business, meeting with our employees, customers and dealers, and working with the GM leadership team, I was both honored and pleased to accept this role. This is a great company with an even greater future, and I want to be part of it," he said.

GM's recruiters had identified several interested CEO candidates, according to a person briefed on the situation. However, Mr. Whitacre grew "more and more" comfortable in the position, one person said.

"It makes sense because Ed has put his management in place," this person added.

Mr. Whitacre and GM's fellow board members agreed the interim leader should be GM's permanent chief "for a couple of years and see where they are," one person said.

At that point, this individual added, GM's new finance chief "potentially" could be ready to assume the CEO spot.

GM announced the appointment of Chris Liddell as the auto maker's chief financial officer in December. Mr. Liddell formerly was the finance chief for **Microsoft** Corp. Mr. Liddell, 51 years old, is a native of New Zealand.

Please turn to page 16

KDDI sets up skirmish with rival

By Daisuke Wakabayashi

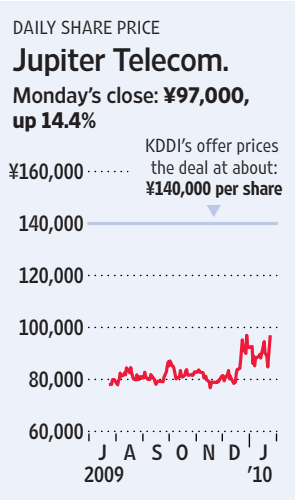
TOKYO—**KDDI** Corp.'s $4 billion acquisition of a major stake in Japan's largest cable provider sets up a showdown with industry behemoth **Nippon Telegraph & Telephone** Corp. over the future of the Japanese telecommunications industry.

KDDI agreed Monday to purchase a 38% stake in **Jupiter Telecommunications** Inc. from **Liberty Global** Inc., of the U.S. KDDI is already Japan's No. 2 cable-television company by subscribers after Jupiter, and the deal would give the combined group roughly half of Japan's cable-TV market.

The move–Japan's largest telecom deal in four years–sets up a two-horse race between NTT and KDDI to offer bundled high-speed broadband, phone and video services. NTT controls about 75% of Japan's fiber-optic market, which is one of the world's fastest and most extensive broadband networks. It also comes as companies in most industries struggle to gain customers in Japan's slow-growth economy.

During the analog age, rivals could piggyback on NTT's network for a relatively small fee–less than 10% of the call charge–in areas where they didn't have a network of their own.

But to reach more areas, maintain growth and offer more services, KDDI says it has to pay more than 70% of its income from fiber-optic subscribers if customers are outside its territory of Kanto, home to Tokyo, and Chubu. KDDI President Tadashi Onodera says this change has made it critical for his company to secure customers, like Jupiter's 1.58 million high-speed Internet subscribers, who access those services outside of NTT's infrastructure.



Source: Thomson Reuters Datastream

"We would like to reduce our dependence on the NTT group," said Mr. Onodera at a news conference on Monday.

Together, KDDI and Jupiter will grow to more than three million high-speed and fiber-optic customers, compared with NTT, which had more than 12 million fiber-optic subscribers as of the end of September. The deal, expected to close in mid-February, would turn KDDI into Jupiter's largest shareholder and would allow the cable operator to treat Jupiter as one of its group companies.

Competitors complain that NTT, which is still one-third state-owned, uses advantages from its days as a government monopoly to build and maintain a nationwide fiber-optic network. KDDI and others

Please turn to page 16

NEW FOR 2010
intel CORE i5 inside
intel CORE i7 inside
Horsepower
meets brainpower.
Introducing the all new
2010 Intel® Core™ Processor Family.
Designed to automatically sense, adapt and boost speed as needed. Computing has never seen smart performance like this.
intel.com/core/inside
intel
Sponsors of Tomorrow.

Copyright ©2010, Intel Corporation. Intel, the Intel logo, Intel Core, Core Inside, Intel Sponsors of Tomorrow™ and Intel Sponsors of Tomorrow logos are trademarks of Intel Corporation in the U.S. and other countries.

PAGE TWO

What's News—

* * *

Business & Finance

■ **The political winds appear** to be shifting in Fed Chairman Bernanke's favor, as the White House escalated efforts to win the Senate votes needed to confirm him for a second term and Republican and Democratic leaders predicted those efforts would succeed. **6**

■ **The new CEO** of Hong Kong's stock exchange, Charles Li, said he is positioning the market to benefit from the eventual liberalization of China's currency. **17**

■ **Central Japan Railway** announced efforts to sell high-speed rail technology to the U.S. **17**

■ **U.S. stocks rebounded** early from last week's losses, but gains faded as investors took a cautious stance following bleak news on housing. Stocks fell in Asia. **27**

■ **U.S. existing-home sales** fell 16.7% in December, dropping more than expected after three straight increases that were fed by a government tax credit. **WSJ.com**

■ **Kirin and Suntory are working** on the merger ratio for their proposed tie-up, and they expect a deal by February. **18**

■ **Japanese brewer Sapporo** aims to grow in Vietnam and North America to cope with the shrinking home market. **18**

■ **Bain Capital said it will buy** the major franchisee of Domino's Pizza in Japan and expand the chain beyond Tokyo and Osaka. **18**

■ **Japanese ad agency Dentsu** is in talks to buy Innovation Interactive, a digital-marketing firm in New York. **22**

■ **CNNC International** will acquire a 37.2% stake in the Azelik uranium mine in Niger through an acquisition of Ideal Mining. **19**

■ **U.K. media agency** Aegis Group is creating a venture with Chinese ad agency and TV-slot buyer Charm Communications. **21**

Agence France-Presse/Getty Images

Smoke rises following an explosion in the area near Baghdad's Palestine Hotel on Monday.

■ **Fitch Ratings upgraded** Indonesia's sovereign-credit rating to one notch below investment grade but said the economy remains vulnerable to capital outflows. **23**

■ **Goldman Sachs is limiting** compensation for U.K.-based partners to $1.6 million. **16**

■ **The European Commission** opened a probe into the proposed joint venture of mining giants BHP and Rio Tinto to see whether it would hurt competition. **19**

■ **Rivals Boeing and Airbus** are united against a plan by Canadian plane maker Bombardier for funding sales of its new jetliner. **20**

■ **The CEO and founder** of International Lease Finance is expected to leave the AIG aircraft-leasing unit as soon as this week. **20**

■ **"Avatar" is set to become** the highest-grossing movie ever. **22**

* * *

World-Wide

■ **Bombs targeting** at least three hotels rocked Baghdad, killing at least 37 people and injuring more than 100. It was the latest of four large-scale, coordinated attacks since the summer and ahead of March parliamentary elections.

■ **Saddam Hussein's cousin** "Chemical Ali" was executed by hanging after being sentenced to death a week earlier for poison gas attacks that killed more than 5,000 Kurds in 1988.

■ **China hardened its line** against U.S. criticism of its Internet policies, with a coordinated rebuttal in its state media. **3**

■ **The top U.S. commander** in South Korea defended changes in operations and troop status that face local opposition, saying neither will reduce America's commitment to protect the nation. **4**

■ **Japan's ruling parties agreed** to hold special parliamentary sessions next month on political funding, in which opposition lawmakers hope to examine a growing funding scandal. **4**

■ **Obama proposed** an expansion of the child-care tax credit and other initiatives designed to help the U.S. middle class. **WSJ.com**

ONLINE TODAY

Most read in Asia

1. China Is Losing a War Over Internet
2. White House Toughens Tone
3. Lessons From Singapore on Bank Bonuses
4. Japan Mayor Vote Threatens Base
5. The Minds Behind the Meltdown

Most emailed in Asia

1. Apple Sees New Money in Old Media
2. Lessons From Singapore on Bank Bonuses
3. The Minds Behind the Meltdown
4. Japan Mayor Vote Threatens Base
5. GDP Revison May Boost China Ranking

WSJ China Real Time

asia.wsj.com/chinarealtime

China is revising its regulations on the demolition of urban homes, and erasing a contentious character in the process.

Continuing coverage

Apple, scheduled to release results after the market close Monday, is expected to report strong growth driven by iPhone and Mac sales, at WSJ.com.

Digits

wsj.com/digits

Twitter is changing the way it recommends accounts for users to follow, doing away with a feature that drove users to a select list of Twitterers.

Inside

World News: Election in Sri Lanka hinges on minority Tamils. **7**

Technology: Asian LCD makers see growing demand. **8**

Business & Finance: Private equity faces tough road in Asia. **17**

Heard on the Street: Bank of China's murky capital plans. **32**

THE WALL STREET JOURNAL ASIA
Dow Jones Publishing Company (Asia)
25/F, Central Plaza, 18 Harbour Road, Hong Kong
Tel 852-2573 7121 Fax 852-2834 5291
www.wsj-asia.com

SUBSCRIPTIONS and Address Changes, please telephone our local customer service hotline, Hong Kong/Taiwan: 852-2831 2555; Beijing: 86-10 6581 4090; Shanghai: 86-21 5836 8228; Indonesia: 62-21 344 1101; Japan: 81-3 6269-2760; Korea: 82-2 756 1695; Malaysia: 60-3 2026 4061; Philippines: 63-2 848 5873; Singapore: 65-6415 4000; Thailand: 66-2 652 0871. Or email: service@wsj-asia.com

ADVERTISING SALES worldwide through Dow Jones International. Hong Kong: 852-2831 2504; Singapore: 65-6415 4300; Tokyo: 81-3 6269-2701; Frankfurt: 49 69 29725390; London: 44 207 842 9600; Paris: 33 1 40 17 17 01; New York: 1-212 659 2176. Or email: wsja.publisher@dowjones.com

Trademarks appearing herein are used under license from Dow Jones & Company. USPS 337-350ISSN 0377-9920

WORLD NEWS

China hardens rebut to Web critics

By Loretta Chao

BEIJING—China has hardened its line against U.S. criticisms of its Internet policies following an initial period of restraint, with a coordinated rebuttal in its state media that seemed to target a domestic audience.

Dozens of commentaries were published and broadcast across major state-run Chinese media for a second straight day Monday, calling allegations by U.S. Secretary of State Hillary Clinton and **Google** Inc. hypocritical, and accusing the Internet company of becoming a pawn in an American "ideology war."

The media onslaught followed a series of statements from the government that dismissed Mrs. Clinton's remarks on Internet freedom last week and allegations by Google two weeks ago that sophisticated cyber attacks targeting it and many other U.S. companies had originated in China. The commentaries largely accused the U.S. of using "Internet freedom" as an excuse to incite anti-China forces, to infringe on other countries' domestic affairs and to mislead Chinese Internet users.

The blanket attempt to steer public opinion is also an implicit recognition of the limits to the government's control over the Web in China, as the nation's rapidly growing Internet population of 384 million users makes the spread of information increasingly difficult to control.

State-run media outlets initially carried little or no mention of the content of Mrs. Clinton's speech or the Google allegations, but after that information was widely disseminated through blogs and other unofficial media, Chinese authorities apparently felt the need to forcefully clarify its stance.

An opinion piece in state-run newspaper Guangming Daily on Monday said the U.S. government "is relying on Internet technology as a tool to promote American values in other countries. An excuse for the use of this tool is the so-called 'free flow of information.'" The article calls the U.S. hypocritical because it "uses its advantages of Internet technology and hegemony "to "put a stranglehold on information that the U.S. feels is contrary to American values," and said that the U.S. "was the first country to introduce the concept of network warfare."

Media blitzes of this magnitude generally are orchestrated by the Chinese Communist Party's Propaganda Department for issues of major importance to the government. A similar flood of coordinated commentary was published in 2008 when the Chinese government criticized Western media coverage of antigovernment protests in Tibet.

The response suggests Beijing is unlikely to be flexible in negotiations with Google over operations.

The response also suggests the Chinese government is unlikely to be flexible in negotiations over how Google could continue operations in China.

Though analysts believe Google's decision to stop censoring its content will lead to a shutdown of its China-based Web site, some have said the company might be able to maintain other functions in the country, such as an advertising-sales office for its overseas Web sites, or the ability to manage some of its other China investments and partnerships. Already, Google has delayed the launch of two handsets by **Samsung Electronics** Co. and **Motorola** Inc. running its Android operating system, saying it would be irresponsible to release the phones if its future in China is uncertain.

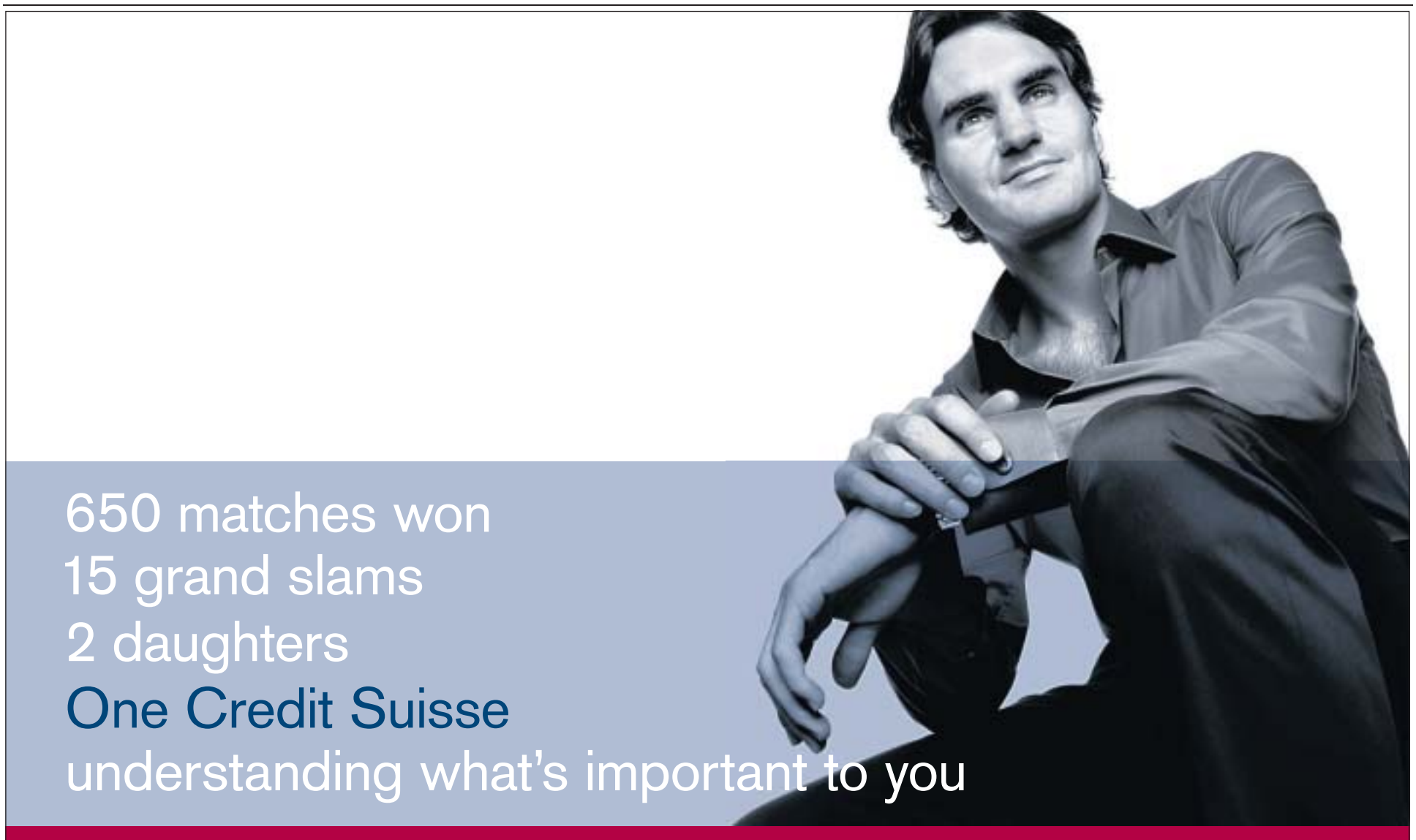
Google has said that hackers appeared to be targeting human-rights advocates, and that in response to the attacks and to continuing censorship by Beijing, it plans to stop censoring its Chinese search results. Mrs. Clinton said in a speech Thursday the U.S. is making free access to the Internet a foreign-policy priority, and criticized China, among other countries, for censorship of Web content. She also called on China's government to address Google's allegations.

Chinese officials have responded that Google and other foreign companies operating in China must follow its laws. State-run Xinhua news agency on Sunday quoted an unnamed official from China's Ministry of Industry and Information Technology saying that accusations that the Chinese government is participating in hacker attacks are "entirely baseless." The official said China is "resolutely opposed" to such charges, which "disgrace China's actions," Xinhua reported.

The same day, a column in the Communist Party's main newspaper, People's Daily, alleged the U.S. used the Internet to incite election protests in Iran last year. "It was America that initiated Internet warfare, using YouTube videos and Twitter micro-blog misinformation to split, incite, and sow discord between the conservative and reform factions... to bring about large-scale bloodshed in Iran," the article said.

An earlier column in People's Daily called Google a "chess piece" for the U.S. government.

—Jason Dean, Sue Feng and Kersten Zhang contributed to this article.



Roger Federer attributes his many successes to an enduring love of tennis, to hard work and focus in the heat of competition. Through experience, Credit Suisse understands the many facets of success and the nature of successful people. The one thing common to them all is the motivation they derive from others. Credit Suisse, working to help its clients thrive since 1856.

credit-suisse.com

CREDIT SUISSE

中国实时报
CHINAREALTIMEREPORT

The Wall Street Journal's China Real Time Report (http://blogs.wsj.com/chinarealtime) recently looked at a parking lot for women drivers and a U.S. outreach event for Chinese bloggers. Excerpts:

Associated Press

A worker paints in an underground parking lot for women in December.

Parking for women only

In China as elsewhere, women drivers face plenty of prejudice over their skills on the road—or when parking.

One parking lot in Shijiazhuang, the capital of Hebei Province, has set out to make parking a pleasant experience for even the greenest of women drivers. The parking lot, part of the newly completed "five-star" Wonder Mall developed by the Hebei Tiancheng Enterprise Group, has three features especially targeted to women.

First: size. The width of each parking space is about 3.2-3.3 meters.

"It's wide enough that even when the doors of two neighboring cars are all fully open, they won't come up against each other," says a Tiancheng Enterprise official identified only as Mr. Wu, who is in charge of the parking lot's design. As a result, only about 50 cars can fit in the lot, compared with ordinary parking lots of a similar size that could house about 100 cars, though with parking spaces of no more than 2.5 meters wide.

Second: catchy designs. The lot is painted in pink and purple, and is equipped with many lights, including three in front of each parking space, so as to create a "cozy and safe environment for woman drivers." Two of the four walls in the parking lot are decorated with paintings of the 12 animals of the Chinese zodiac, so that a driver looking for her car just has to remember the specific pattern or colors of her parking space.

And third: dancing parking assistants.

Six women guides will be deployed throughout the lot to help women drivers park, combining their guidance with fancy dance moves involving mainly the upper body, Mr. Wu said.

He said the assistants have all received special training in South Korea.

"Of course, it's not real dance, we just want to use graceful body language to bring a pleasant feeling to our customers, and at the same time show the uniqueness of this parking lot", he said.

The lot, scheduled to open in early February, has attracted a lot of attention already. While some say it's a waste of space and unnecessary, some say it's an "act of civilization," especially from a feminist point of view.

A blogger who calls himself Longshu Yifu, said on a forum on the People's Daily Web site: "It's impossible for a single women's parking lot to solve all the parking issues plaguing women drivers, but it indeed reflects a gentleman's approach by Shijiazhuang city, and sends a message to the whole society, that we should treat women well." —*Sue Feng*

Chinese bloggers briefed on Clinton speech

One example of what U.S. Secretary of State Hillary Clinton may have meant in her Thursday speech about using "21st-century statecraft" to advance Internet freedom played out in China Friday, as state department officials held a question-and-answer session for Chinese bloggers on America's foreign policy 2.0.

Bloggers invited to the event, which was held simultaneously at the U.S. Embassy in Beijing and at the consulates in Shanghai and Guangzhou, came with a diverse range of political viewpoints, from artist Ai Weiwei, who is often critical of the Chinese government, to Rao Jin, the man behind the Anti-CNN Web site anti-cnn.com, representing a small but influential portion of China's 384 million Internet users.

The bloggers' questions reflected a keen interest in America's global Internet policy. They asked for more details on the U.S. government's plans to fund software that will help circumvent censorship and whether officials will press companies such as **Microsoft** and **Cisco** to follow in **Google**'s footsteps by standing up to China.

Critical questions were on the agenda as well: Why does the U.S. allow the export of technologies that are used to build the Great Firewall? What about American hackers attacking Chinese computers, or U.S. spammers and fraudsters who target innocent people around the world?

The responses from American officials largely restated Mrs. Clinton's position as outlined in Thursday's speech and emphasized the separation of business and government in the U.S.

After the meeting, one blogger, Zhou Shuguang, shared his impressions: "It shows that the U.S. government and Beijing have totally different ways of working. In the U.S., the government pays attention to public opinion and they know how to promote a policy through opinion leaders. That's why they are now paying extensive attention to active Chinese Web users."

—*Sky Canaves and Juliet Ye*

U.S. defends military changes in Korea

By Evan Ramstad

SEOUL—The top U.S. military commander in South Korea on Monday defended changes in operations and troop status that face growing local opposition, saying that neither will reduce America's commitment to protect the country.

In an interview, Army Gen. Walter Sharp cited what he said were misperceptions about the transition of wartime control of South Korean forces to South Korean from American officers. The biggest misperception, he said, is that South Korea will have to fight on its own in another war with North Korea.

Some South Koreans also worry that another change the U.S. is making—extending typical troop assignments to two to three years from the current one and allowing more personnel to bring their families with them—will lead to a reduction in the roughly 28,000 U.S. troops currently stationed there.

"We are still responsible to come and help defend this great country," Gen. Sharp said. "And what I'm going to do is to take this year and educate the folks of South Korea as to what these transitions mean."

Both changes began several years ago after prolonged negotiations between Seoul and Washington. But they've been opposed by a sizable portion of the South Korean public, conservative politicians and military retirees who worry that any change will leave the country vulnerable to attack by North Korea.

U.S. Army

Army Gen. Walter Sharp, the top U.S. military commander in South Korea.

Last week, South Korea's defense minister, Kim Tae-young, questioned the pace of the wartime-control transition, due to finish in April 2012, and suggested it should be delayed. Editorials in several newspapers echoed his sentiment.

In the interview, Gen. Sharp said the move reflects the growing strength of South Korea's military and addresses the inherent limits of U.S. military leaders who are on assignment in South Korea for just a few years.

"No matter how good the commanding general is here, you will never have the knowledge of the capabilities of the South Korean military, the terrain, the land, the North Korean threat, as do the Korean officers who have lived it their entire life and career," he said. In addition to U.S. forces, Gen. Sharp leads United Nations troops in South Korea and the Combined Forces Command.

Changing force

In South Korea, the U.S. military is turning over wartime control of South Korean forces and beginning to lengthen troop assignments and welcome families. Status update:

CONTROL TURNOVER

- **What:** Transfer of wartime command of South Korean forces to South Korean officers from Combined Forces Command
- **Deadline:** April 17, 2012
- **Reason:** Raise responsibility and competency of South Korean military

TROOP ASSIGNMENTS

- **What:** Designate South Korea as normal assignment, lengthening deployment to at least two years from one, three years for troops with families
- **Deadline:** 2016 or later, depending on completion of new Army post called Camp Humphreys
- **Reason:** Improve quality of life for Korea-based troops, improve deployment flexibility

South Korean officers have had peacetime control of their forces since 1994. Now, they're being trained by U.S. commanders to lead Korean troops in wartime, a process Gen. Sharp said was going well. U.S. troops would still be led by American officers.

He said the two countries will continue to operate under a single, jointly written battle plan and that some of the things the U.S. does for South Korea today, such as providing nuclear deterrence, intelligence and training, won't change.

On the military assignment issue, he said the fears are rooted in a misunderstanding of the Pentagon's desire to improve troop rotations. At present, South Korea is a one-year assignment that keeps troops away from their families. As a result, U.S. troops sent to South Korea must return home for a while before becoming eligible for assignment in war zones like Afghanistan and Iraq.

That change is often portrayed by South Korean politicians and media as meaning that U.S. troops who are sent here will quickly move on to war zones, leaving South Korea with fewer American troops. Gen. Sharp said troop levels would remain steady, however.

Just 3,700 of U.S. troops in South Korea have families with them.

Japan to study political funds next month

By Takashi Nakamichi

TOKYO—Japan's ruling parties bent to pressure from the opposition camp and agreed to hold special parliamentary sessions next month on political funding, in which opposition lawmakers hope to examine a growing funding scandal involving Ichiro Ozawa, a top official of the Democratic Party of Japan.

The accord by the DPJ, the People's New Party and the Social Democratic Party takes the case to a new level of scrutiny, after the arrest of three of Mr. Ozawa's associates for allegedly violating a political funding law.

Concerns might now grow that if the debates take up too much time in parliament, they could delay the enactment of a 92.299 trillion yen ($1.027 trillion) national budget for the fiscal year starting in April. The government plans to pass the budget to boost Japan's still-struggling economy by March 31.

That budget is considered more important than a much smaller, second budget for the current fiscal year, which cleared the lower house of parliament on Monday and is expected to get upper house approval Tuesday.

Although the extra budget contains a fresh 7.2 trillion-yen stimulus package, economists say the measures—such as loan guarantees and incentives to promote energy-efficient cars and electronics—would give the economy only a limited lift.

Mr. Ozawa insisted on his innocence Monday, as public prosecutors continue their investigation into the alleged falsification of records on the purchase of a plot of land in Tokyo by his fund-management organization in 2004.

He also repeated that he will stay on as DPJ secretary general, saying, "I intend to do my best to fulfill the mandate given to me."

But his comments did little to stop opposition parties from demanding the special parliamentary sessions as they seek to cast the ruling bloc in a negative light ahead of upper house elections this summer.

It is still unclear, though, whether Mr. Ozawa will be forced to testify in the parliamentary sessions. Although the ruling coalition and opposition parties have agreed to hold the debates, further details have yet to be agreed upon.

Asked whether he is ready to testify in such sessions, Mr. Ozawa said, "I will act in accordance with the agreement to be reached by the ruling and opposition parties."

Prosecutors are investigating whether illegal donations from construction companies make up part of the 400 million yen used to buy the land, and whether Mr. Ozawa may have ordered his associates to falsify records to hide the donations, according to Japanese media reports.

Prosecutors spent more than four hours Saturday questioning Mr. Ozawa about his finances. Although Mr. Ozawa's direct involvement isn't proven yet, the deepening scandal has dealt a major blow to Prime Minister Yukio Hatoyama's 4-month-old government.

Public support also has tumbled due to voter dissatisfaction with Mr. Hatoyama's handling of key policy matters, polls show. .

—Takeshi Takeuchi contributed to this article.

The economy is up. Your delivery costs don't have to follow.

Now you can ship more and spend less. Use FedEx International Economy® for your less time-sensitive shipments to save money without compromising on quality and reliability.

FedEx delivers to a changing world.

experience.fedex.com/market

FedEx® Express

WORLD NEWS: U.S.

Bernanke confirmation doubts wane

By Sudeep Reddy

WASHINGTON—The political winds appear to be shifting in U.S. Federal Reserve Chairman Ben Bernanke's favor, as the White House escalated efforts to win the 60 Senate votes needed to confirm him for a second term and Republican and Democratic leaders predicted those efforts would succeed.

But despite a flurry of activity over the weekend, confirmation wasn't a certainty. A few more senators said Monday they would support Mr. Bernanke, including Republican Sen. Lindsey Graham. As of Monday morning, 35 senators were publicly committed to voting for Mr. Bernanke, with 17 opposed, according to a Dow Jones Newswires survey. Of the 35 in favor, 24 are Democrats or independents and 11 are Republicans.

Senate Majority Leader Harry Reid (D., Nev.) expects a vote on Bernanke by the end of the week, his spokesman said Monday, according to the Associated Press. Mr. Bernanke's term expires Jan. 31.

Sen. Mitch McConnell of Kentucky, the Republican leader, and Sen. Dick Durbin of Illinois, the No. 2 Democrat, predicted that Mr. Bernanke would prevail.

The debate over a second term for the 56-year-old Mr. Bernanke is eclipsing party affiliations in the Senate, drawing liberals and conservatives into unusual alliances. It has also reinforced the Fed's weakened standing with the public and Congress, and the threat to its long-cherished posture as independent from elected politicians.

All the dissonance has rattled Wall Street. "Financial markets usually react poorly when politicians start to bash the Fed," said Lou Crandall, chief economist at Wrightson-ICAP, a research firm. "The fear is that political pressure might prevent the Fed from pursuing a disciplined monetary policy, leading to greater inflation risks in the future."

A House hearing Wednesday on the Fed's still-controversial handling of the American International Group rescue in September 2008 will likely bring more negative attention to Mr. Bernanke's role in that episode, which he has described as the chapter of the crisis that made him the angriest. Treasury Secretary Timothy Geithner, who led the New York Fed at the time, and other New York Fed officials are slated to testify.

Sens. Jim Bunning, a Kentucky Republican, and David Vitter, a Louisiana Republican, have indicated they would use AIG documents, which have been reviewed by Senate staff members in recent weeks, to make the case against Mr. Bernanke. "I don't think they're going to reflect well at all" on Mr. Bernanke, Mr. Bunning said in an interview last week.

The drama surrounding Mr. Bernanke's fate likely will eclipse attention to the meeting of the Fed's monetary policy committee Tuesday and Wednesday. No major shift in policy is expected. The Fed has been holding short-term interest rates near zero since December 2008.

After last week's Republican coup in the Massachusetts Senate race fueled populist sentiment, criticism of Mr. Bernanke intensified. By Friday, Washington insiders were speculating that he might fall short of the 60 votes in the Senate needed to assure his confirmation.

That prompted an all-hands effort by the administration to change the momentum in his favor. The president himself, as well as Mr. Geithner, Chief of Staff Rahm Emanuel and White House economic coordinator Lawrence Summers, made phone calls to key senators over the weekend, as did Mr. Bernanke.

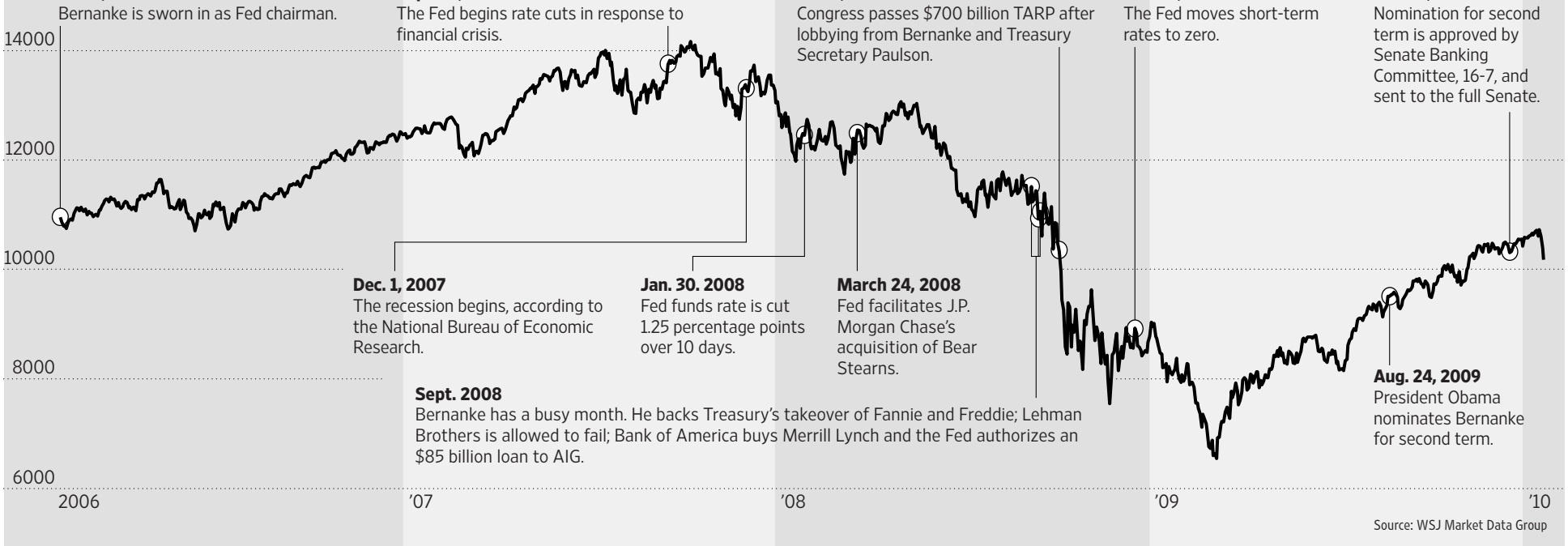
On Saturday, the chairman of the Senate Banking Committee, Christopher Dodd of Connecticut, and a Republican member of the committee, Judd Gregg of New Hampshire, both Bernanke backers, said they anticipated Mr. Bernanke would prevail.

Because of maneuvering by some senators opposed to Mr. Bernanke's confirmation, 60 votes are needed to proceed to a vote.

After that hurdle, only a majority of those voting is needed to confirm him.

—Jon Hilsenrath and Brent Kendall contributed to this article.

Bernanke's tumultuous tenure | The Dow Jones Industrial Average during Ben Bernanke's term as Fed chairman, highlighting key events


Feb. 1, 2006
Bernanke is sworn in as Fed chairman.
Sept. 18, 2007
The Fed begins rate cuts in response to financial crisis.
Oct. 3, 2008
Congress passes $700 billion TARP after lobbying from Bernanke and Treasury Secretary Paulson.
Dec. 16, 2008
The Fed moves short-term rates to zero.
Dec. 17, 2009
Nomination for second term is approved by Senate Banking Committee, 16-7, and sent to the full Senate.
Dec. 1, 2007
The recession begins, according to the National Bureau of Economic Research.
Jan. 30. 2008
Fed funds rate is cut 1.25 percentage points over 10 days.
March 24, 2008
Fed facilitates J.P. Morgan Chase's acquisition of Bear Stearns.
Aug. 24, 2009
President Obama nominates Bernanke for second term.
Sept. 2008
Bernanke has a busy month. He backs Treasury's takeover of Fannie and Freddie; Lehman Brothers is allowed to fail; Bank of America buys Merrill Lynch and the Fed authorizes an $85 billion loan to AIG.
14000
12000
10000
8000
6000
2006
'07
'08
'09
'10

Source: WSJ Market Data Group

Fed's clout gets bruised in battle for votes

By Jon Hilsenrath

No matter how it plays out, Ben Bernanke's bruising confirmation battle has damaged the Federal Reserve's clout and perceived independence.

Mr. Bernanke is more than the Fed's chief decision maker. Fed officials see him as their brand, a smart, honest and stoic voice best able to defend decisions of the past two years to a skeptical Congress and the public.

Even if the Senate backs Mr. Bernanke this week, the criticism and second-guessing that preceded the vote could undermine his public credibility. The battle also makes it harder for the Fed to cast itself as immune from partisan politics—and thus free to raise interest rates someday even if not politically popular.

Fortunately for the Fed, the hard call about when to raise interest rates doesn't need to be made now. Fortunately for Mr. Bernanke, his support inside the Obama administration, and even more so inside the Fed, is solid.

But the longer the battle drags on, the more it could interfere with the Fed's ability to communicate convincingly. And no matter what, the Fed will have less sway as Congress debates whether to rein in its powers.

Here is a look at three scenarios:

Speedy resolution. In the best case for Mr. Bernanke, and the one that many analysts deemed most likely late Sunday, the Senate will confirm him before his term ends Jan. 31. Then, he would continue to unwind emergency programs launched to prop up the financial system and plot strategy for raising short-term interest rates in response to an improving economy—a move at least several months off.

Meanwhile, Mr. Bernanke would continue to resist efforts to intensify congressional oversight of the Fed's monetary policy decisions or strip the Fed of its power to oversee banks.

Winning that battle is looking harder; even senators supporting him for a second term have voiced criticism of the Fed's actions during the confirmation battle.

"It's not about the person as much as it is about the institution," says Vincent Reinhart, a former senior Fed staffer. "The Fed is the focus of a lot of anger, and politicians are going to have to align with that constituent anger. Change is coming and the Fed has got to appreciate it now."

Limbo. Given the politics and policy forces at work, the Senate may not vote by the end of the week. In that event, the Fed's vice chairman, Donald Kohn, will likely step in as chairman of the Washington-based Federal Reserve Board while Mr. Bernanke continues to serve as a member of the board because his term as a governor runs to 2020.

The Fed's monetary-policy committee, the Federal Open Market Committee, which includes the presidents of the 12 regional Fed banks and members of the board in Washington, will likely elect Mr. Bernanke as its chairman when it meets Tuesday. Although this outcome would confuse outsiders, it is seen inside the Fed as manageable for a while and wouldn't yield any changes in policy.

Messrs. Kohn and Bernanke have worked closely together throughout the financial crisis. But a prolonged limbo would weaken the Fed's ability to send clear, credible signals to markets on the outlook for interest rates.

Mr. Bernanke could find himself torn between wanting to stay at the Fed to maintain continuity and wanting to step aside to protect it.

"Behind the scenes Bernanke and Kohn together would effectively still be running the place," says Michael Feroli, a J.P. Morgan economist. But it would be "sloppy and confusing," he says, and unsustainable.

A new chairman. If Mr. Bernanke is defeated or steps aside, the White House would pull out a list prepared last year when considering whether to reappoint Mr. Bernanke.

The administration would need someone who can steer the economy, calm markets and win confirmation in the Senate.

Among the possibilities: Janet Yellen, president of the Federal Reserve Bank of San Francisco who is seen as a dove, more worried about unemployment today than inflation tomorrow; Lawrence Summers, the brilliant, polarizing White House economic adviser; Roger Ferguson, the former Fed vice chairman and now chief executive of TIAA-CREF; Alan Blinder, a former Fed vice chairman who is now a Princeton University professor; and Christina Romer, chairman of the White House Council of Economic Advisers.

Each choice offers risks.

Would Ms. Yellen be seen by markets as too dovish, or in a twist, hawkish to prove her toughness? Would Mr. Summers be viewed by investors as beholden to President Barack Obama, or tainted among senators by his work for a big investment firm before returning to government?

Under any scenario, investors are likely to look at the Fed's decisions with new wariness.

Senate Majority Leader Harry Reid's tepid endorsement could be a sign of what's to come. "To merit confirmation, Chairman Bernanke must redouble his efforts to ensure families can access the credit they need to buy or keep their home, send their children to college or start a small business," the Nevada Democrat said Friday.

"That statement was awful," says David Zervos, head of fixed income strategy at Jeffries Inc., an investment bank. "It was like, 'If I get you in, you owe me.' "

WORLD NEWS

Sri Lanka election hinges on Tamils

By Matthew Rosenberg

COLOMBO, Sri Lanka—This country's presidential vote Tuesday pits two chief architects of the country's defeat last year of Tamil separatists, underscoring the political divide that remains after 26 years of ethnic strife.

The leading contenders among the field's 22 candidates are President Mahinda Rajapaksa, elected five years ago on a promise to crush the Tigers, and retired Gen. Sarath Fonseka, who oversaw the rebels' battlefield annihilation in May. Most Sri Lankans view them as war heroes. They are seen as war criminals by the country's minority Tamils, who could end up deciding the outcome of a vote observers say is too close to call.

The war pitted the government, dominated by Sri Lanka's predominately Buddhist Sinhalese majority, against the Liberation Tigers of Tamil Eelam, who fought for a homeland for the largely Hindu ethnic group.

Neither front-runner has a plan to address lingering Tamil grievances, including the 100,000 Tamil civilians believed to be in internment camps. The ugly and at times violent election campaign, meanwhile, has exposed just how badly the war stunted this island nation's democratic institutions.

Mr. Fonseka says he wants to restore the country's battered international reputation. His choice of moderate political allies has raised hope among diplomats and human-rights activists that he could curtail what they see as the Rajapaksa administration's often humiliating treatment of Tamils, the arbitrary detention of perceived enemies, and the alleged assassination of government critics.

The government denies any role in the killings and says it has treated Tamils fairly.

Mr. Rajapaksa remains popular among Sinhalese Sri Lankans largely for his role in ending what had become one of the globe's longest-running civil wars. The Tigers were known for their use of suicide-bomb vests, and their demise has brought Sri Lanka closer to the prosperous island paradise the government long sought to portray in tourist brochures. The streets of Colombo, the capital, are no longer dotted by soldiers and checkpoints.

Sri Lanka's economy is also rebounding. The government estimates the economy will grow about 6% this year. The International Monetary Fund, in a show of confidence, on Thursday upgraded Sri Lanka's status to what it calls a middle-income emerging market, which means it has had a relative high per capita annual income—now around $4,400—for at least three years and that it can reliably borrow on international financial markets.

But Mr. Fonseka's hero status is equal to the president's. He has seized on allegations of corruption and on Mr. Rajapaksa's reliance on family members—a number of whom, including his two brothers, serve in key government positions—to cut into the president's support.

The result is a split Sinhalese vote, and the prospect that the race will be decided by Tamils, who make up about 18% of Sri Lanka's 21 million people. Mr. Rajapaksa was first elected in 2005, largely because Tamils heeded a Tiger call to boycott the vote.

The Tigers weren't universally supported by Tamils, but in their absence there are few advocates for the community's demands for equality and autonomy in Tamil-majority areas of the north and east.

Most Tamils hold Messrs. Rajapaksa and Fonseka accountable for war abuses. Thousands of Tamil civilians—the numbers remain unclear—were killed in the war's final weeks after the army trapped them and the last Tigers on a patch of land along Sri Lanka's northeastern coast. Roughly 100,000 people, most of them Tamil, died in the war.

With questions remaining over whether Tamils will turn out in large numbers, observers say the race is too close to call. There has been little independent polling. Both camps say their own polling, which they haven't released, show their man ahead but within the margin of error.

With the race tight, the campaign has turned increasingly violent. Each side accuses the other of intimidating voters, and at least four people have been killed.

—Thavayoganathan Sajitharan contributed to this article.

Associated Press

Reuters

Gen. Sarath Fonseka, left, and President Mahinda Rajapaksa, right.

I harvest opportunity from risk.
JOSÉ AROLDO GALLASSINI
President,
Coamo Agroindustrial Cooperative
For José Aroldo Gallassini, turning risk into opportunity is second nature. As president of Brazil's largest agricultural cooperative, he comes to CME Group to mitigate price volatility and protect his organization's position in the global soybean market. With unparalleled liquidity, transparency and speed, and the security of central counterparty clearing, CME Group guarantees the soundness of every trade. That's why CME Group is where the world comes to manage risk. Learn more at cmegroup.com.
CME Group
A CME/Chicago Board of Trade/NYMEX Company
CME Group is a trademark of CME Group Inc. The Globe logo, CME, Chicago Mercantile Exchange, E-mini and Globex are trademarks of Chicago Mercantile Exchange Inc. CBOT and Chicago Board of Trade are trademarks of the Board of Trade of the City of Chicago. NYMEX, New York Mercantile Exchange and ClearPort are trademarks of New York Mercantile Exchange Inc. COMEX is a trademark of Commodity Exchange Inc. All other trademarks are the property of their respective owners. Copyright © 2010 CME Group. All rights reserved.

Getty Images

LG Electronics showcased its 47-inch LCD HDTV with LED backlight technology and NetCast Entertainment Access at the Consumer Electronics Show earlier this month in Las Vegas.

Asia's LCD manufacturers hold high hopes for better year

New display technologies, optimism that World Cup and Winter Olympics will help fuel purchases, expected to spur growth

By Yun-Hee Kim

HONG KONG—Asia's liquid-crystal-display makers are looking forward to a better year in 2010 amid improving demand and tight supplies.

The rollout of new display technologies for televisions, electronic-book readers and touch-screen mobile devices is expected to lead to strong growth for Asia's flat-panel industry this year, helping to offset any potential increase in supply from new production lines, companies and market watchers say.

Many Asian flat-panel display makers were mired in losses from the third quarter of 2008 until the first half of 2009 due to the global economic downturn, which hurt demand for high-priced flat-screen TVs and computers.

That led companies to subsequently cut their capital spending budgets and factory utilization rates, which helped to trim excess supply.

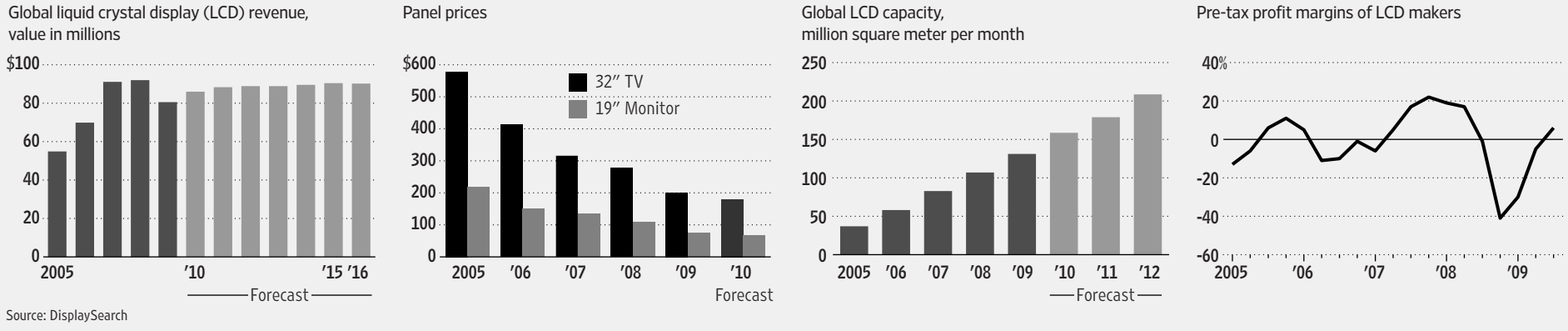
Demand, however, is improving thanks to strength in emerging markets such as China, and the industry is optimistic that consumers will purchase more TVs and computers during a year that will have two major sporting events—the Winter Olympic Games and the World Cup.

The improvement in market conditions is already reflected in LCD makers' fourth-quarter earnings reports, and many companies have issued optimistic forecasts, indicating that the sector is in the midst of a cyclical upturn.

"We expect stable LCD prices this year due to continued growth in TV demand and tight supply of monitor and PC panels," said Chang-man Kim, vice president of marketing at **Samsung Electronics** Co.'s LCD division. "This year, the market is expected to improve."

Samsung, the world's biggest LCD TV and panel manufacturer by shipments, said this month it expects to report a fourth-quarter operating profit of up to 3.9 trillion

On the mend | LCD manufacturers forecast stronger results this year after a difficult 2009



Source: DisplaySearch

Chip rivals study Samsung pact

Companies are betting on cutting-edge features such as full high-definition, ultra-thin light-emitting-diode backlit TVs and even three-dimensional displays to drive growth. Samsung, Sony, Panasonic and LG Electronics have all showcased 3-D TVs. One risk: New factories are up and running, and ramping up, which will increase total industry output.

By Jerry A. DiColo

A settlement between **Samsung Electronics** Co. and **Rambus** Inc. in their long-running legal battle could push co-defendents **Micron Technology** Inc. and **Hynix Semiconductor** Inc. to do the same, according to industry analysts.

Samsung, the world's largest maker of memory chips by revenue, agreed last week to pay Rambus as much as $900 million over five years, including an equity stake in the company, to settle litigation brought by Rambus alleging patent infringement in the memory chip market.

The deal let Samsung off the hook in a trial expected soon that also involves Hynix and Micron, and alleges the memory chip makers colluded to boycott technology made by Rambus. In that trial Rambus is asking for more than $4 billion in damages, which could be tripled.

While memory makers have for years been wrapped up in litigation with Rambus, which makes technology designed to speed up memory chips, the collusion trial has a potential price tag that may push both sides to an agreement, analysts say.

Neither side said there were active settlement talks, and both Hynix and Micron said last week they still planned to proceed with a trial.

"We do not anticipate this settlement will have any impact on our ongoing litigation with Rambus," Micron said in a statement, referring to Samsung's deal with Rambus.

Hynix spokesman Park Hyun said the South Korean company is still awaiting trial and didn't elaborate further.

But with Samsung's settlement, Micron and Hynix potentially could face damages without deep-pocketed Samsung to split the cost. "Samsung's agreement with Rambus may now suggest Micron and Hynix may also seek a settlement," wrote Barclays analyst Tim Luke in a research note.

Rambus Chief Executive Harold Hughes said the Samsung settlement puts his company on sound financial footing, suggesting the company has little reason to jump into negotiations with Micron or Hynix.

Still, he expects both sides will eventually reach an agreement after other litigation is resolved. "I'm very confident that there will be a settlement," Mr. Hughes said.

Both Micron and Hynix are awaiting rulings in other cases against Rambus that could impact the collusion case. In Delaware, Rambus is appealing a ruling that it destroyed evidence related to some disputed patents, which has also held up a separate case of patent infringement in Northern California.

Micron and Hynix hold much smaller shares of the market and would likely be able to settle for less than Samsung, analysts say. Mr. Luke estimates a Micron settlement would likely come in between $200 million and $400 million.

To be sure, some analysts see the potential price tag of continuing with the case as manageable for Micron and Hynix. UBS analyst Uche Orji estimated a payment by Micron of $233 million, plus damages, if it were to lose.

"It's very difficult to handicap these cases," said JMP securities analyst Alex Guana. While he doesn't expect Samsung's settlement will force Micro and Hynix to the table, "Does it factor into how they're looking at it? Maybe."

Litigation surrounding Rambus continues to hang over an industry only beginning to recover from massive price declines and falling profits.

The recession, surprisingly, helped to spur a recovery by cutting off financing and pushing down demand. The downturn threw weaker competitors out of the market and reduced manufacturing capacity across the industry.

With supply low and demand rising, profit have returned as well. Micron shares in particular have skyrocketed, more than tripling since this time last year.

won ($3.01 billion) compared with a year-earlier loss, on expected record sales.

Its rival, **LG Display** Co. reported Wednesday it swung to a fourth-quarter net profit of 478 billion won from a net loss of 684 billion won a year earlier.

Research firm DisplaySearch expects industry revenue to grow 6% this year to $86 billion from $81 billion in 2009.

LG Display Chief Executive Kwon Young-soo said after the earnings were released that the industry is unlikely to be oversupplied this year due to strong demand and new products.

Companies are betting on cutting-edge features such as full high-definition, ultra-thin light-emitting-diode backlit TVs and even three-dimensional displays to drive growth.

Samsung, **Sony** Corp., **Panasonic** Corp. and **LG Electronics** Inc. have all showcased 3-D TVs, considered the next big growth engine for TV manufacturers.

"If three-dimensional products successfully draw consumers' attention, then more demand for TVs is likely," Mr. Kwon said.

Sweta Dash, an analyst at U.S. market research firm iSuppli Corp., expects LCD prices to remain stable for the first half of 2010 due to tight supply and shortages of components such as glass, especially in Taiwan. The average price of a 32-inch LCD TV panel fetched $200 late January, up 25% from a year earlier.

One risk: New factories are up and running, and ramping up, which will increase total industry output.

For example, Japan's **Sharp** Corp. in October opened the industry's first tenth-generation facility, which uses glass sheets that can cut 70-inch panels for televisions. According to market research firm WitsView, a total of seven production lines are slated to open this year.

Even so, companies will benefit by having an advanced facility producing panels because it can lower manufacturing costs.

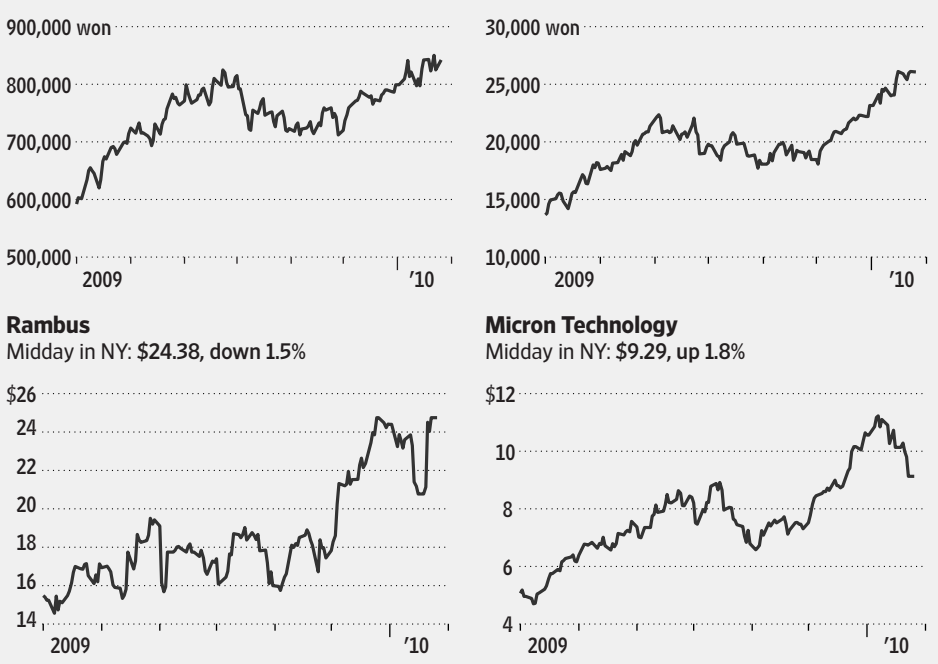
"Going forward, resilient end-demand...along with the well-managed lean channel inventory, should continue to support the LCD industry's cyclical turnaround," said John Sung, an analyst at Credit Suisse, in a report.

—Jung-Ah Lee contributed to this article.

Bloomberg News

A visitor at Samsung Electronics' mobile solutions forum in Taipei in September.

Battling parties | Daily share price since end-June 2009



Source: Thomson Reuters Datastream

Bazaar: Bangkok

What they're buying at Asia's gadget emporiums

The place itrendy@coffee, Digital Gateway, Siam Square

The goods Fujifilm's Instax Mini 25 Camera

The specs This device puts a new spin on a throwback technology: Fujifilm Holdings Corp. and celebrated Japanese photographer Yasumasa Yonehara teamed up to create a new look for the instant film camera, giving it a two-shutter design for landscape or portrait photos, a close-up lens for focusing from 35 centimeters and slapping a Hello Kitty logo on it. Instax is the last instant photo system standing since Polaroid stopped making its famous instant-print film in 2008, so if digital cameras aren't for you and you can't wait for a print, this is the camera for you. The camera is white and the strap is red, to match Hello Kitty's ribbon.

The price 4,900 baht ($148) for the Hello Kitty edition, 4,700 baht without the Hello Kitty branding

The deal We aren't sure what is more shocking: that anyone would want such a camera without the Hello Kitty branding, or that said branding is worth only 200 baht more. We were able to get an extra 200 baht off the price of each model, and that figure could drop a little further with the purchase of a 10-print Instax film kit, which retails separately at 300 baht. The camera is also available online from photo hobby sites, in some cases at steep discounts.

—Piyarat Setthasiriphaiboon

CAREER JOURNAL

Dow Chemical chief pushes ahead

After averting disaster with Rohm & Haas acquisition, Liveris plans move more forcefully into specialty products

By Susan Daker

Dow Chemical Co. Chief Executive Andrew Liveris spent 2009 narrowly averting disaster. Now, he's trying to get his ambitious transformation of the 112-year-old chemical-maker back on track.

Vacationing in the Caribbean in December 2008, Mr. Liveris learned Kuwaiti officials were scrapping a $17.4 billion joint-venture petrochemical deal. He was planning to use $9 billion in proceeds to help buy rival **Rohm & Haas** Co., a centerpiece of his strategy to move Dow away from basic commodities and into higher-margin specialty chemicals.

BOSS TALK

Dow delayed the close; Rohm sued. Ultimately Dow issued $7 billion in preferred stock and borrowed $9.2 billion from a short-term loan to buy Rohm for $16.3 billion in April. Standard & Poor's downgraded its credit rating to one notch above junk, where it remains.

Today Mr. Liveris says he's out of crisis mode but "not losing sight that the economy is still very tenuous." He's pushing to get 80% of Dow Chemical's revenue from specialty chemical products over the next few years, up from two-thirds now.

John Tully for The Wall Street Journal

Dow's Andrew Liveris says he's out of crisis mode but 'not losing sight that the economy is still very tenuous.'

Dow plans to sell at least $2 billion in assets this year to unload basic chemicals businesses and pay down debt.

Mr. Liveris is talking more with executives at consumer products companies including **Procter & Gamble** Co., **Unilever** and Coca-Cola Co. to better anticipate their needs.

The 55-year-old native of Darwin, Australia, studied chemical engineering. Mr. Liveris took a job at Dow 34 years ago after a college professor said it was a chance to see the world. He became CEO in 2004. In an interview, Mr. Liveris explained how he managed the crisis and plans to navigate a fragile recovery. Excerpts:

WSJ: How did you react when the Kuwaiti deal fell through?
Mr. Liveris: I was on vacation and got the news. It was a shock. It was completely unexpected.

WSJ: How did you rally yourself?
Mr. Liveris: I did get outside help. I brought back some retired Dow executives who have seen these crises before.

One important mentor was Tony Carbone [a former executive vice president of plastics, hydrocarbons and energy]. He helped me and my inner team make sure we had all the pieces in place to run the fix.

You can make the assumption that I tapped every living Dow CEO. Paul Oreffice was the CEO in the '80s. Paul was helpful—he faced a similar crisis. I wouldn't suggest to you that we took all the inputs. But during periods like this you've got to widen your net.

WSJ: What did they and other advisers tell you?
Mr. Liveris: Stay close to investors. Engage the rating agencies. Never let it show that you are affected. Stay close to your board.

WSJ: How did you manage the crisis?
Mr. Liveris: I split the executive team into groups.

I had an executive running the business and focusing on customers. I had an executive focused on Rohm & Haas integration issues, an executive on finance and credit issues, an executive on divesture and one focused on litigation.

I knew that people were watching me every waking moment. But I got a lot of strength from the people around me.

WSJ: Now what are you focusing on?
Mr. Liveris: January 2010 and this next period is about execution on a growth agenda, not losing sight that the economy is still very tenuous.

WSJ: Your strategy to move into more-specialized chemical products means you need to anticipate customers' needs better. How are you doing this?
Mr. Liveris: This afternoon I'm with P&G. Yesterday I was with General Electric. Just before Christmas I spent time with Unilever and Coca-Cola. We have to work with their R&D departments to see what are their needs.

Dow has historically been of a mindset that if you build it they will come.

Career Opportunities

CAREERS

DOWJONES
A News Corporation Company

Dow Jones Newswires *(www.djnewswires.com) is a leading supplier of real-time global economic, corporate and resources news to financial professionals across five assets classes: equities, fixed income, foreign exchange, commodities and energy. It has a network of 21 news bureaus in the Asia-Pacific region.*

We are seeking to fill the following vacancies in our ***Singapore*** *office:*

ASSISTANT NEWS EDITOR, GLOBAL DESK, MONEY

Dow Jones Newswires has an opening for an Assistant News Editor on the fast-paced money editing desk, which handles policy, foreign exchange and debt market news, primarily from the Asia-Pacific region. The desk turns around flash headlines and edits stories, among other duties.
The candidate will manage and develop a team of three editors in addition to editing headlines and stories from bureau reporters for publication on Dow Jones Newswires.

The position requires excellent news judgment, good communication skills and the ability to work under pressure. This candidate will have a proven track record of strong financial news editing skills and people management.

To apply, please visit www.dowjones.com/careers and search for **Job ID 000100324**.

COPY EDITOR, FINANCIAL MARKETS

Dow Jones Newswires is looking for a copy editor for the resources pod of the Singapore Global Desk. The successful candidate will edit breaking news headlines and stories on energy and commodities news and markets from around the Asia-Pacific region as part of a five-editor team.

The position requires first-class copy editing ability, excellent communication skills and strong news judgment. Candidates should be familiar with financial markets and capable of working well under constant deadline pressure. Experience at a financial newswire or other real-time news service would be an advantage. We are looking for a candidate who is self-motivated and sincerely interested in a career in financial journalism.

To apply, please visit www.dowjones.com/careers and search for **Job ID 000100328**.

Dow Jones Newswires offers a competitive compensation package and the opportunity to work for one of the world's leading financial and business news companies.

To apply, please visit www.dowjones.com/careers and search for the respective job numbers indicated above. *(Only short-listed candidates will be notified)*

Dow Jones & Company (www.dowjones.com) is a News Corporation company (NYSE: NWS, NWS.A; ASX: NWS, NWSLV; www.newscorp.com). Dow Jones is a leading provider of global business news and information services. Its Consumer Media Group publishes The Wall Street Journal, Barron's, MarketWatch and the Far Eastern Economic Review. Its Enterprise Media Group includes Dow Jones Newswires, Dow Jones Factiva, Dow Jones Client Solutions, Dow Jones Indexes and Dow Jones Financial Information Services. Its Local Media Group operates community-based information franchises. Dow Jones owns 50% of SmartMoney and 33% of STOXX Ltd. and provides news content to radio stations in the U.S.

The Bernanke Nomination

The White House said Sunday it has damped down a political revolt against Ben Bernanke and now has the votes to secure the Federal Reserve Chairman's second four-year term. Whether or not Mr. Bernanke is confirmed, the lesson we draw is that overly political central bankers will eventually be undone by politics.

There's no doubt that some of this reconfirmation panic is nothing but political opportunism. When we opposed Mr. Bernanke's reconfirmation on December 3, the facile consensus was that the Fed chief was a master of the universe who had saved the world from depression. But after Scott Brown's victory in Massachusetts last week, Senate Democrats are suddenly looking for a financial political sacrifice. President Obama doesn't look ready to throw over Treasury Secretary Tim Geithner, so Mr. Bernanke is the designated spear catcher.

The Democrats' loudest complaint, moreover, is that Mr. Bernanke and the Fed haven't been easy *enough* in printing money. Majority Leader Harry Reid declared his support for Mr. Bernanke on Friday, but not before extracting what he said were concessions about future Fed policy.

The Fed chief promised, said Mr. Reid, that he would "redouble his efforts" to make credit available and that Mr. Bernanke "has assured me that he will soon outline plans for making that happen, and I eagerly await them."

Redouble? The Fed has already kept interest rates at near zero for more than a year, and it is buying $1.25 trillion in mortgage-backed securities to refloat the housing bubble, among other interventions into fiscal policy and credit allocation. Is the Fed going to buy another $1.25 trillion, or promise to keep rates at zero for another 14 months?

> The politicians turn on a political central banker.

Mr. Reid's declaration of a confirmation quid pro quo will not reassure global investors who already fear that the Fed lacks the political will to withdraw its historic post-crisis liquidity binge soon enough to avoid new asset bubbles.

Our own view is that Mr. Bernanke is already far too susceptible to political pressure. As a Fed governor, he was Alan Greenspan's intellectual co-pilot last decade when their easy money policies created the housing mania. When Congress later put political pressure on the Fed to direct credit toward housing, and even to student loans, Mr. Bernanke (who was then chairman) also quickly obliged.

More ominously for the next four years, Mr. Bernanke continues to deny any Fed monetary culpability for creating the mania. Shortly after the New Year, even with his nomination pending, Mr. Bernanke issued an apologia that was striking for its willingness to play to the Congressional theory of the meltdown by blaming bankers and lax regulators. We won't rehearse our decade-long monetary argument with Mr. Bernanke today—see "Bernanke at the Creation," June 23, 2009. But the chairman's refusal to acknowledge any mistakes is one reason the dollar is so weak in global capital markets. Investors are hedging their bets in commodities and nondollar assets.

Yes, much of Wall Street wants to see Mr. Bernanke confirmed. The Street is currently making a bundle off Fed policy, as it borrows at near-zero rates and lends long, and the banks don't want that to end. The banks also loved negative real interest rates in the middle of the last decade, and we know how that turned out. Wall Street always loves easy money—until inflation returns, or the bubbles pop.

Others argue that any alternative to Mr. Bernanke could be worse, and that is certainly a risk. Mr. Geithner and White House economic adviser Larry Summers couldn't be confirmed, even in a Democratic Senate. In the short term if Mr. Bernanke is defeated, Vice Chairman Donald Kohn might run the Open Market Committee, and he shares Mr. Bernanke's contempt for Fed critics. President Obama could also select San Francisco Fed President Janet Yellen, but she thinks the Fed should be even easier.

Still, we can think of current or former presidents of regional Fed banks who have hard money credentials. They would also not carry the baggage of whatever Harry Reid extracted as a price of confirmation.

We agree that the Fed needed to ease money precipitously when the financial markets suffered their heart attack in late 2008, and we praised Mr. Bernanke for that at the time and since. But the issue for the next four years is whether the Fed can extricate itself from its historic interventions before it creates a new round of boom and bust. We already see signs that it has waited too long to move.

The Fed as an institution is also under political attack in a way that it hasn't been since the early 1980s, and that was when Paul Volcker was being excoriated for being too tight. That criticism has rarely if ever been leveled at Mr. Bernanke. The next Fed chairman is going to need the market credibility, and the political support, to raise interest rates when much of Congress and Wall Street will be telling him to stay at zero. That is the real reason to oppose a second term for Chairman Bernanke.

The Clinton Internet Doctrine

Kudos to Hillary Clinton, who on Thursday launched a U.S. State Department campaign to preserve and expand Internet freedom around the world—and hit out at regimes that continue to tighten Web censorship.

"Countries or individuals that engage in cyberattacks should face consequences and international condemnation," she said, following attempts by Chinese hackers to read the emails of human-rights activists by attacking Google's servers. "In an interconnected world, an attack on one nation's networks can be an attack on all."

Her note that Beijing should "conduct a thorough investigation of the cyber intrusions" does invite the fox to take the keys to the henhouse. But overall, the new Clinton Doctrine is welcome. Her department's work to fund technology development that would help activists thwart their censors, and to fight off attempts in the U.N. to restrict access to information on the Internet, could deliver an important blow against autocrats beyond the Middle Kingdom.

See for instance the Twitter-powered "Green Revolution" in Iran, which used social-networking technology to do more for regime change in the Islamic Republic than years of sanctions, threats and Geneva-based haggling put together. Social-networking may be a fad, but then so were the fax machines and bootlegged Frank Zappa albums smuggled behind the Iron Curtain a generation ago. Being popular with the kids doesn't usually hurt the cause of liberty.

To be sure, technologies that *restrict* individual freedom rarely run far behind those that expand them. Thus Tehran has made use of Nokia Siemens Networks intercepting tools to monitor and crack down on the country's democracy activists. In her remarks, Mrs. Clinton named China, Tunisia, Uzbekistan, Vietnam and Egypt as places where "a new information curtain is descending."

That's all the more reason to support Mrs. Clinton for taking America on the offensive in the fight for electronic freedom. By contrast, the response of Germany and France to the Chinese cyberattacks has amounted to little more than finding fault with Microsoft and suggesting that users consider a temporary switch to a different Web browser.

These columns have often expressed disappointment with President Obama's reticence to encourage democracy activists around the world. But if Mrs. Clinton makes good on her promise, and if unrestricted Web access becomes a priority in Washington, she will have taken her Administration in a notably better direction.

Hanoi and the Lawyer

Hanoi's practice of jailing dissenters isn't new, but even so the case of Le Cong Dinh stands out. For as much as Hanoi tries, it can't lock up prominent businessmen like Mr. Dinh without sending a message to the foreign business community it so desperately needs.

Mr. Dinh was arrested in June and accused of traveling to Thailand to meet with members of the banned pro-democracy Vietnam Reform Party, to which he "confessed" in state-run media. For that, the government charged him with subversion, a capital charge not used against political dissenters since the 1980s. He was sentenced in a Ho Chi Minh City court to five years in jail on Wednesday, his jail time reduced apparently in exchange for publicly admitting his "crimes." One of his three co-defendants, Huynh Duy Thuc, was sentenced to 16 years.

> A 'political' crackdown ensnares a well-known commercial litigator.

Mr. Dinh's case, including the application of the stricter subversion law, marks another step in a crackdown gathering steam ahead of next year's Communist Party Congress. The political tightening has included trials and prison terms for bloggers and dissidents who have criticized Hanoi over a range of issues, from its handling of a territorial dispute with China in the South China Sea to a bauxite mine in the center of the country. Mr. Dinh represented several of these defendants.

This latest trial, however, brings the crackdown close to home for foreign investors. Mr. Dinh is a former vice-chairman of the Ho Chi Minh City Bar Association and studied law at Tulane University in New Orleans on a Fulbright Scholarship. His firm, DC Law, has represented companies such as Yahoo and Michelin. He successfully defended the Vietnamese government in a trade case before the U.S. Department of Commerce in 2003.

Foreigners aren't immune to the country's questionable rule of law. Hanoi has prevented two Australian Qantas Airways executives from leaving the country since mid-December to assist in an "investigation" against a former colleague, even though neither has been charged with a crime. Then there was the 2006 ABN-AMRO case, when authorities detained foreign bank employees and then extracted a ransom for their release.

The United States condemned Mr. Dinh's sentencing last week. Ambassador Michael Michalak in December criticized Hanoi's broader crackdown, noting that free access to information and discussion "are absolutely essential to technical innovation and economic prosperity." But so far U.S. businesses have been slow to react to Mr. Dinh's case. Adam Sitkoff of the American Chamber in Hanoi says the group is reluctant to comment on "political" matters.

Companies may conclude that a withdrawal from Vietnam, a la Google from China, isn't the appropriate course. But Hanoi can't take such corporate goodwill for granted forever. Foreign businesses could help by reminding the government that investors do indeed notice when their lawyers get sent to jail for "crimes" that wouldn't be illegal in any normal country.

OPINION

Okinawa Upset

By Tobias Harris

This year marks the 50th anniversary of the U.S.-Japan alliance, but an election in the tiny city of Nago, Okinawa (population 59,742) may have unsettled the relationship. Nago is home to Camp Schwab, a Marine camp that is scheduled to be the site of a new American air base under the terms of a military realignment program agreed on by Japan and the United States in 2006. On Sunday, Nago elected a new mayor, Susumu Inamine, who opposes that plan. His victory has been interpreted as a victory for opponents of the 2006 agreement.

The biggest loser may have been the Hatoyama government, which campaigned last year on a promise to revisit the agreement but is now realizing the difficulty of finding an alternative. With Mr. Inamine's victory, the government will find it harder to retreat from its opposition to the 2006 roadmap, particularly given its sagging popularity and the corruption scandal surrounding Ichiro Ozawa, secretary general of the Democratic Party of Japan.

By the same token, Washington also lost Sunday. Some analysts have cautioned the Obama administration not to push the Hatoyama government too hard on Futenma, arguing that doing so could cause considerable harm to the alliance even if the U.S. were to get its way on the realignment of U.S. forces. With the election of Mr. Inamine the risks from pressuring the Hatoyama government have grown, not only because Washington will appear to be strong-arming a democratically chosen national government, but also because it would be pressuring that government to ignore a vote in a municipality directly affected by realignment.

Mr. Hatoyama has said that his government will make a decision on the 2006 agreement in May. In the meantime, the Obama administration must give serious thought to whether the 2006 agreement is worth poisoning the U.S.-Japan relationship. As it stands, Washington will either have to enlist the Hatoyama government as an ally in imposing the agreement on Nago—which seems like an unlikely partnership—or it will have to pressure both the Hatoyama government and the people of Nago to accept an agreement that neither desire.

The U.S. must bear considerable blame for insisting so strongly on an agreement that no Japanese government could sell to the Okinawan people for environmental, moral and historical reasons. While Washington would prefer to debate Futenma simply on the basis of strategic considerations, the reality is that for the people most affected by the 2006 roadmap, realignment is anything but a strategic question. The Okinawan people have been asked for too long to bear too great a

Sunday's election deals a blow to U.S.-Japan relations, but the damage isn't fatal.

burden—which includes the social and environmental costs of hosting more than half the U.S. forces in Japan—for them to accept the roadmap quietly, whatever its merits.

The election, moreover, is another reminder of the tension between the U.S.-Japan alliance and the development of Japanese democracy—or indeed democracy in any longtime U.S. ally, as the U.S. found when South Korea transitioned from one-party rule. The DPJ's victory in August, as the first unambiguous power transition from one ruling party to another in the postwar period, marked the first opportunity for the Japanese public to reconsider Japan's alliance with the U.S. While the DPJ is not opposed to the alliance—both the prime minister and Foreign Minister Katsuya Okada have stated their support repeatedly—the DPJ is opposed to how the alliance was handled by the Liberal Democratic Party. The DPJ alleges that the LDP ran the alliance behind closed doors and put the interests of the U.S. before those of the Japanese people, amounting to an unequal partnership between the two countries. Both the secret agreements on nuclear weapons under investigation by the Japanese foreign ministry and the 2006 roadmap are part of the DPJ's case against the U.S.-LDP alliance. And the vote in Nago is the latest sign that Japanese voters—at least in a city where the alliance is a local issue—buy the DPJ's argument that the relationship needs to be changed, at least as it pertains to them.

There is a silver lining here. Insofar as the Nago election makes the rejection of the 2006 roadmap more likely, this presents an opportunity for both Washington and Tokyo to step back and reconsider how the alliance should function and how it should be sold to the Japanese people in Japan's new democracy. The age when the alliance could be managed by bureaucrats and experts from both countries has passed.

The discussion now needs to include more voices from across Japan's political spectrum, from local governments as well as the elite ministries. It should be a two-way discussion, of course: the localities must learn to think in terms of national interests even as the U.S. government has learned to be more sensitive to local concerns. But the U.S. government needs to think harder about how to build support for the alliance, and not only in communities asked to host American forces. It must be able to explain plainly to Japanese citizens why they are there in the first place.

Ultimately the U.S. needs to worry less about the 2006 agreement, and more about building a sustainable foundation for the U.S.-Japan alliance by moving beyond the one-party regime that had been so amenable to U.S. interests for so long.

Mr. Harris, a former aide to a DPJ lawmaker, is a doctoral student in political science at the Massachusetts Institute of Technology.

The Case of the Cricket Snub

By Salil Tripathi

Call it the curious incident of the forgotten cricketers. After nearly two hours of a keenly watched auction on Jan. 19, the Indian Premier League's eight cricket teams bought 11 of the 66

A new low for India-Pakistan relations on the pitch.

players from 11 countries on offer. But not one Pakistani player was picked.

India and Pakistan have long been enemies on the pitch, but such a public rejection of some of Pakistan's best players (who are also some of the region's best players) represents a dangerous new low. The auction process is an important part of the Premier League's "Twenty20 cricket," an entertaining, made-for-television, abbreviated form of the sport played in 16 countries.

Twenty20 cricket is not the traditional, seemingly endless version where men in white take a break for tea. Here a match lasts around three hours, with each team playing only 20 overs, trying to amass as many runs as possible and using unconventional techniques. Busty cheerleaders encourage them. And international players are traded just like they are in Major League Baseball or the English Premier League. The changes have drawn new, younger crowds and attracted millions of dollars of television advertising and a recent deal with YouTube.

But all the hype over Twenty20 has only served to sharpen Pakistan's rejection at the auction block. India is cricket's most lucrative market and many cricketers want to play there. This year 97 cricketers from 12 countries offered themselves to Twenty20 teams, of which 66 made it to the auction block after team owners expressed interest in recruiting them—11 of those from Pakistan.

Pakistanis are stunned and hurt that none of their own made the final cut. Shahid Afridi, a spectacular player who was the first on the auction block but fetched no bid, told a cricket Web site that, "The IPL and India have made fun of us and our country." Pakistani media speculate that Indian team owners were acting under government pressure.

Indian owners, who include prominent companies like Reliance Industries and the UB Group as well as Bollywood stars like Shah Rukh Khan and Preity Zinta, have strenuously denied political interference. They cited concerns about

M.E. Cohen

the availability of Pakistani players during the tournament (a questionable claim, since Pakistan's national team has no international commitments at that time); and possible visa problems (again odd, because India says it issued visas to all Pakistani players who had applied). They eventually fell back on the argument that it didn't make cricketing sense to have Pakistani players on their teams. Presumably this was based on the assumption that because their other players already had identical skills.

The latter is preposterous. Pakistan is the current world champion in Twenty20 cricket. When the Rajasthan Royals, team based in Jaipur, won the inaugural championship in 2008 their star performer was Pakistani Sohail Tanvir. The Lahore Badshahs, a Pakistani team, took top position in the rival Indian Cricket League in 2008. And the Pakistani players who were rejected at the auction this year included some of the very best: Cricketers like Rana Naved-ul Hasan and Umar Gul, who are known for their fast bowling, and Abdul Razzaq, a strong all-rounder.

The most likely reason for the snub is political. Since Independence in 1947, Pakistan and India have fought three wars and nearly came to blows in 1999 over the Kashmiri district of Kargil. American writer Mike Marqusee titled his 1996 book on subcontinental cricket "War Minus the Shooting," and little has changed since then.

The November 2008 terrorist attacks in Mumbai—carried out by Pakistanis—further increased tensions. Since the 2009 IPL championship coincided with India's general elections, the Indian government could not ensure security for the matches since the security personnel were needed to maintain the smooth running of elections. The government told the IPL to postpone the tournament. The Pakistani Cricket Board decided not to send its cricketers to the Championship because the mood was tense over the Mumbai attacks, and in the end the tournament was relocated to South Africa.

Political tensions aside, Indian team owners are probably also worried about the reaction of Hindu nationalists to the presence of Pakistanis, not to mention the possibility of a terrorist attack on a team, a tournament or a stadium. The terror threat is not negligible. In March last year, terrorists attacked the bus carrying Sri Lankan cricketers in Lahore, killing eight people and injuring six team members. And Hindu nationalists have long opposed cultural ties with Pakistan. They've called for banning sporting contacts, vandalized a cricket pitch in 1991 to prevent an India-Pakistan match from taking place, objected to bookshops selling novels by Pakistani authors, and threatened to disrupt performances by Pakistani musicians in India.

Given these risks, not selecting a Pakistani player may have seemed like a rational choice. But the overall result is disastrous. The fact that not a single owner bid for a Pakistani player is not good for cricket, or for transparency. The tournament loses good players; Pakistanis lose the opportunity to play in a competitive tournament; the owners aren't fielding the best possible teams; the advertisers may lose audiences in Pakistan; and the fans lose the opportunity of seeing top stars in action.

While fundamentalists represent a real threat and an India-Pakistan series does bring out nationalist passions, cricket fans are not so prejudiced against individual players. Perhaps next year team owners will be a little braver.

Mr. Tripathi is a writer in London.

THE WALL STREET JOURNAL. ASIA

Almar Latour, *Editor in Chief, Asia*
Peter Stein, *Associate Editor*
Dean Napolitano, *Senior Editor*
Mary E. Kissel, *Editorial Page Editor*
Philip Owens, *Circulation Director*
Shawn Hiltz, *Marketing Director*
Alice Chai, *Research Director*
Connie Cheng, *Operations Director*
Simon Wan, *IT Director*
Olivier Legrand, *General Manager Digital*
Christine Brendle, *Publisher*
Published since 1889 by
DOW JONES AND COMPANY
© 2010 Dow Jones & Company. All Rights Reserved
DOWJONES
A News Corporation Company

OPINION

Finding Unity in Malaysia's Diversity

By Najib Razak

In contrast to the impressions left by some international reporting, in the hours and days after the recent vandalism of churches and other places of worship in Malaysia, the true spirit of our nation has shone through. Across religions and races, Malaysians have spoken with a unified voice in condemning the despicable acts of a few. Citizens have joined as one to assert that vandalism is never an acceptable way to express diverse views or resolve differences.

The government is working to resolve the 'Allah' issue and preserve a fair and open society.

Many measures have been taken to counter this violence. Muslim groups volunteered to safeguard churches in their towns. Muslim social activists have written petitions to oppose these senseless acts of vandalism. Muslim civic groups are standing shoulder-to-shoulder with Christians, Hindus and Buddhists to ensure that all people can freely worship as they wish. Christian and civic leaders have urged calm and interfaith dialogue; they are fully aware that those who perpetrated these acts do not represent the Muslim majority in Malaysia. I saw this first hand when I visited the Metro Tabernacle Church to meet with the pastor and to commit support for rebuilding.

Let us be honest in recognizing that religious beliefs are deeply held, and in the legal case currently pending related to non-Muslims' use of the word "Allah" in Malay-language publications, there are passionate views on many sides. As a nation, we will work together to resolve this issue.

Malaysia is certainly not the first country where a few individuals commit criminal acts under the false pretence of supporting a particular religion. But I am determined that the vandalism of places of worship and arson at the Tabernacle in recent days—and the powerful response from everyday Malaysians—can be transformed into a moment from which we can learn.

We will bring the perpetrators to justice. But this will also be a time when we stand united as one people to unequivocally denounce violence and reaffirm that we remain committed to the national drive we call "1Malaysia."

David G. Klein

We must resolve to maintain a fair and open society where there is opportunity for all Malaysians to flourish. My administration is liberalizing ownership requirements in key sectors of our economy; encouraging foreign direct investment in an era of globalization; creating 1Malaysia clinics to provide access to health care; and extending educational opportunities to all Malaysians.

These reforms have sometimes been politically difficult. But they are important because the long-term health of Malaysia's society and the economy can only be built on what unites us rather than what divides us. We will not waver from the pursuit of 1Malaysia. While there may be some who debate this approach, there is room for open discussion and consideration about how we realize this vision of a strong, fair nation.

Many Malaysians have been appalled by the irresponsible and dangerous finger-pointing of a few politicians who put personal political interests before Malaysia's national interest. They try to score political points by hammering on sensitive issues. My government chooses a different path. We will reach out to all parts of Malaysian society in the coming days to foster open dialogue and work to resolve sensitive issues together.

While one church was damaged and others were vandalized, along with a Sikh temple and Muslim prayer rooms, the values we hold dear—religious freedom, tolerance, peace and fairness—remain the bedrock of our nation. The diversity of our population is the true strength of our country. Across races and across religions, this is the foundation upon which we will advance 1Malaysia. It represents a great challenge but, together, it can be our greatest achievement.

Mr. Najib is prime minister of Malaysia.

Muslims Have No Monopoly over 'Allah'

By Anwar Ibrahim

Malaysia has once again resurfaced in international headlines for the wrong reasons. Over the last two weeks, arsonists and vandals attacked 10 places of worship, including Christian churches and Sikh temples. Though there were no injuries and the material damage is reparable, the same cannot be said about the emotional and psychological scars left behind. After numerous conflicting statements from government officials, the underlying causes of the violence are still unaddressed. Malaysia's reputation as a nation at peace with its ethnic and religious diversity is at stake.

Malaysia's poor handling of religious and sectarian issues is not unique. The ill treatment of minority groups in Muslim countries is often worse than the actions Muslims decry in the West. I have called attention to the broader need in the Muslim world for leadership that demonstrates consistency and credibility in our call for justice, fairness and pluralism. These values are embedded in the Islamic tradition as the higher objectives of Shariah expounded by the 12th-century jurist al-Shatibi.

We have seen Muslims around the world protest against discriminatory laws passed in supposedly liberal and progressive countries in the West. Yet just as France and Germany have their issues with the burqa and Switzerland with its minarets, so too does Malaysia frequently fail to offer a safe and secure environment that accommodates its minority communities.

The recent arson attacks exemplify what's wrong with the way Malaysia regards its non-Muslim citizens. The attacks were provoked by a controversy over the use of the word "Allah" by Malaysia's Christian community, which numbers over two million, or about 10% of the population. In late 2007, the Home Ministry banned the use of the word by the Herald, a Catholic newspaper, and later confiscated 15,000 copies of Malay-language Bibles imported from Indonesia in which the word for God is translated as "Allah." A Dec. 31, 2009 ruling by the Kuala Lumpur High Court overruled the earlier ban, asserting constitutional guarantees regarding the freedom of religion in Malaysia. Since then, an already tense situation boiled over, largely due to incitement by a few reckless politicians, the mainstream media and a handful of nongovernmental organizations linked by membership and leadership to the United Malays National Organization, the ruling party.

For example, Utusan Malaysia, the nation's largest Malay-language daily—which is also owned by UMNO—has inflamed Muslim religious sentiments by accusing non-Muslims of desecrating the name of the "Muslim" God and alleging a Christian conspiracy to overrun this predominantly Muslim nation through conversion. I have seen these incendiary propaganda techniques used before, when politicians and demagogues exploit public sentiment to garner support by fomenting fear. Such tactics are useful diversions from embarrassing scandals ranging from controversial court decisions, to allegations of exorbitant commissions extracted from military procurements, to the theft of two jet engines from the inventory of the Royal Malaysian Air Force. This behavior has been exacerbated since the ruling party lost its two-thirds majority in parliament last year. UMNO is now desperately struggling to regain public support.

Few Muslims around the world would endorse the claim that we have a monopoly on the word "Allah." It is accepted that the word was already in the lexicon of pre-Islamic Arabs. Arabic's sister Semitic languages also refer to God as "Allah": namely, "Elaha" in Aramaic, and "Elohim" in Hebrew. Historical manuscripts prove that Arabic-speaking Muslims, Christian and Jews have collectively prayed to God, the Creator and Sustainer of the Universe, as "Allah" for over 1,400 years. The history of Islam in Southeast Asia is known for its pluralistic and inclusive traditions, and amicable relations between Muslims and non-Muslims have been the norm for generations.

Malaysia finds itself on tenterhooks because minority issues have been handled poorly.

Muslim scholars outside of Malaysia thus find our "Allah" issue absurd and cannot fathom why it has sparked protest and outrage. Minority Muslim populations living in the West, particularly in the aftermath of 9/11, have diligently tried to remind the public that Muslims, Christians and Jews share common Abrahamic roots and ultimately worship the same God.

Local sensitivities have been aroused over this issue. They should be handled through dialogue and engagement. Instead of permeating a sense of insecurity or a siege mentality, Muslims must be encouraged to engage and present their concerns to the Christians in a constructive manner. The example of Muslim Spain is a moment in our history to which Malaysian Muslims should aspire. But efforts toward fostering a *convivencia* are not only found in the past. The ongoing "Common Word" initiative, a global effort launched in 2007 that captured the support of over 130 of the world's most prominent Muslim scholars, has made historic progress towards building goodwill among Muslims and Christians to find ways to live in sincere peace and harmony. It is ironic that noble efforts such as these are being undone by the actions of Muslims themselves.

Malaysia's international reputation has taken a beating since Prime Minister Najib Razak was sworn in last year. Despite his efforts to promote national unity, news about the caning of a young Muslim woman charged with drinking, the mutilation of a cow head in protest of the construction of a Hindu temple, ill treatment of Muslim converts who revert to their earlier faith and even the outlawing of the practice of yoga by Muslims have many at home and abroad wondering which direction Malaysia is headed under Mr. Najib's leadership. There are already misgivings about governance, human rights, the rule of law and rampant corruption; Malaysia dropped 10 spots on Transparency International's 2009 Corruption Perception Index, our worst showing in over 15 years. The vision of Malaysia as a peaceful and stable location for investment, tourism and migration is now in peril.

This matters most for Malaysians who have to contend with an increasingly polarized social and political landscape. Malaysia cannot afford to be held hostage by the vested interests of a few who manipulate faith and identity as a means to elicit fear for political and economic gain. This is old politics, and it has become clear that those who incite hatred are only doing so to prolong their monopoly on power. The majority of Malaysians reject this approach. They realize that overcoming the challenges we face—a stagnant economy, declining educational standards and rising crime—depends on our ability as a nation to internalize and make real the principles of fairness and justice to all.

Mr. Anwar, a former deputy prime minister of Malaysia, is a member of parliament for the Justice Party and leader of the opposition.

Comments? The Journal welcomes readers' responses to all articles and editorials. It is important to include your full name, address and telephone number. Please send letters to the editor to: **Letters@WSJ.com**

IN DEPTH

PGA Tour begins to pay price for Tiger Woods transgressions

His absence shows how sport came to rely on star's appeal to offset drops in popularity, financial prospects of golf

Associated Press

Tiger Woods, right, with PGA Tour Commissioner Tim Finchem in August, has taken a sabbatical after being engulfed in a sex scandal.

By Matthew Futterman And Douglas A. Blackmon

The troubles facing the professional-golf tour without Tiger Woods will be on display when the annual tournament tees off at the Torrey Pines course in San Diego this week: Ticket sales are down, fewer hospitality tents have been sold, and the title sponsor had to be lured with a cut-rate price.

It is a harbinger of what the **PGA Tour** may be without its most popular player. Three of the Tour's 46 tournaments scheduled for 2010 don't have a lead corporate sponsor, nor do 13 of next year's tournaments. Television viewership of the first two events of this year's Tour tumbled.

In past years, Mr. Woods, the game's most popular player, usually skipped the first three tournaments and began play on the San Diego tournament's seaside course, perched on scenic cliffs overlooking the Pacific. As Mr. Woods's opener, San Diego became one of the highest-profile early events of each PGA Tour season. This year, Mr. Woods, caught up in a sex scandal, is on leave from the game, with no word on when he will return. Without his unmatched star power, the value of Tour sponsorships, through which companies cover most tournament prizes, could be sharply lower. And without a rich flow of cash from those sponsorships, the PGA Tour's economic model is cracked.

"It's a fairly tough conversation for the PGA Tour right now," said Tony Ponturo, former director of sports marketing for major sponsor Anheuser-Busch InBev and a board member of the women's LPGA Tour. "Maybe the marketplace doesn't allow for million-dollar first prizes anymore."

Farmers Insurance Group, a unit of Zurich Financial Services, swooped in last week and agreed to a last-minute, discounted deal that pays the PGA Tour about $3.5 million to sponsor the Torrey Pines event. That is about half of what General Motors previously paid to sponsor what long was known as the Buick Invitational. GM, in financial trouble, ended its PGA tour contracts last summer.

"The good news is we got a discount. The bad news is we only have one week to do anything with the sponsorship," said Bob Woudstra, the CEO of Farmers Insurance, who became interested just 10 days ago when the Tour offered a one-year deal at a reduced price.

PGA Tour officials acknowledge that even the temporary loss of Mr. Woods, who declined to comment for this article, is a big blow, but say it will have little effect on the overall health of the Tour. Tim Finchem, commissioner of the PGA Tour, ascribes the sponsor shortfall to the battered economy, a general decline in sponsorships across all sports and the bankruptcy filings of GM, Chrysler LLC and Stanford Group Co., all major golf backers. PGA Tour officials say they are confident that golf will weather the current situation and that with the return of Mr. Woods and continuing growth overseas, the sport will continue to prosper.

"We're not going south. We're going to continue to grow," Mr. Finchem said.

Yet the absence of Mr. Woods, and with him millions of TV viewers who are the lifeblood of the sport, has made clear how heavily the PGA Tour came to rely on his extraordinary appeal to offset declines in the popularity and financial prospects of golf.

On the surface, Mr. Woods's reign looked like a golden era. Revenues for the PGA

IN DEPTH

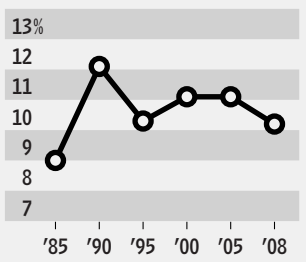
Tour—which is separate from the four major championships, the Masters, U.S. Open, British Open and PGA Championship—raced to $981 million in 2008 from $302.5 million in 1996, the year Mr. Woods turned pro. Major championships featuring Mr. Woods drew TV audiences unheard-of in golf, as high as 50 million total viewers for his first win at the 1997 Masters. Corporations agreed to ever-higher sponsorship deals, both for the marketing exposure and to give their customers a chance to wine and dine in the vicinity of golf greats.

But over the same span, the Tour's overall audiences actually declined. According to Nielsen Co., final-round play on the broadcast networks in 2009 averaged under 3.5 million viewers, down from more than four million in 1999 and lower than in the year Mr. Woods turned pro.

Just as worrisome to the sport, participation in golf on the real links has been falling as well. About 10.2% of Americans age 6 and above played at least one round in 2008, compared with 12.1% in 1990, according to the National Golf Foundation.

No time for tee

Portion of Americans who played at least one round of golf in the given year



Note: For people age 6 and older
Source: U.S. National Golf Foundation

Asked whether Mr. Woods's popularity had masked declining interest in golf, Tour executive vice president Ty Votaw said the diminished TV ratings and participation rates weren't necessarily signs of weakness. "You look at what's happened to ratings for prime time and virtually every other sport during the same time period and I think we've done pretty good," he said.

When Mr. Woods burst on the scene at the 1997 Masters, he looked like a savior for a sport increasingly seen as a pastime for middle-aged men in funny pants. Over the next dozen years, he became much more than the most popular player. He emerged as golf's most powerful figure, demanding changes that over a decade altered the structure of professional golf—while generating tens of millions of dollars for himself and charities associated with him.

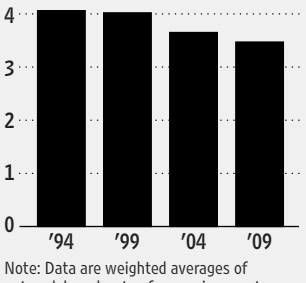
From nearly the start, he had complaints about how the PGA Tour operated. In 2000, Mr. Woods, by then a five-time winner of major championships, publicly unreeled a litany of grievances against the circuit. In media interviews, he said the Tour was leeching off his popularity, with some sponsors, such as **Daimler** AG's Mercedes-Benz unit, using his image in promotional advertising without his blessing.

And PGA Tour rules, combined with a long season, limited how often players could participate in tournaments outside the U.S., where Mr. Woods could rake in millions just by showing up.

Mr. Woods suggested in an interview with Golf World magazine in November 2000 that his popularity entitled him to a cut of the PGA Tour's television revenue, then roughly $300 million a year.

Broadcast bogey

Number of viewers tuning in to Sunday broadcasts of PGA Tour events, in millions



Note: Data are weighted averages of network broadcasts of nonmajor events
Source: The Nielsen Co.

The same month, his father, Earl Woods, now deceased, floated the idea that his son might leave the Tour and play only in the four major championships and certain tournaments abroad. "He can take his game to Europe, Africa, Asia or wherever he wants, and the world will follow," Earl Woods told the Associated Press.

On Nov. 27, 2000, his superstar son, then 24, discussed his concerns with PGA Tour boss Mr. Finchem at a long meeting in Los Angeles. According to someone familiar with the details of the meeting, the two men sat across a table from each other, Mr. Woods flanked by his agent and Mr. Finchem joined by another PGA Tour executive.

Mr. Finchem basically had a choice: Adjust the financial underpinnings of professional golf to satisfy its most popular player or risk the disaster of his leaving the Tour.

In an interview this month, Mr. Finchem said that during that 2000 meeting, Mr. Woods raised all of the issues he had discussed publicly. Neither man has said what commitments were made. But two days later, Mr. Woods announced that he and the commissioner were embarking on a new future together, with "compromises on both sides."

Take the issue of using Mr. Woods's image. Tour sponsors had the right to show player photos in their ads, but they were sometimes using only Mr. Woods's. After the meeting, Tour executives called corporate sponsors to explain Mr. Woods's objections to the extensive use of his image and encourage them to use more players in their promotions, Mr. Finchem said.

Mercedes, in developing its ad campaign, assumed all needed permissions had been cleared with the PGA Tour, said a spokesman for Mercedes-Benz of North America, Adam Paige. He said Mercedes ended the ads picturing Mr. Woods after receiving the complaints.

Mr. Finchem said he never seriously considered giving Mr. Woods a cut of the Tour's TV revenue, which would have reduced the amount available for prizes.

But in 2002, he added to the Tour's television lineup a tournament now called the Chevron World Challenge—an end-of-season event hosted by Mr. Woods that benefits the Tiger Woods Foundation, a nonprofit that funds the Tiger Woods Learning Center in Anaheim, Calif.

The move meant Mr. Woods's tournament no longer had to pay a PGA Tour licensing fee of about $2 million; that would be paid by whichever TV network carried the event.

The change also meant the PGA Tour's television revenue would pay part of the tournament's prize money, now $5.75 million.

Mr. Finchem said he included Mr. Woods's tournament in the television package not to direct TV money to the golfer's activities but to make the overall package more valuable to networks. Golfer Greg Norman's "Shark Shootout" event received a similar benefit.

In 2005, Mr. Woods and rival Phil Mickelson went public with complaints that the PGA Tour season was too long, keeping golfers from playing in lucrative tournaments abroad.

In November of that year, after negotiations with broadcasters, Mr. Finchem announced a revised schedule that concludes the season in September, rather than November, by creating the FedEx Cup, a four-tournament playoff-style event. The format helped the PGA Tour boost its television revenue and also gave top players more time to play abroad and collect appearance fees.

As the PGA Tour's support of Mr. Woods grew, he achieved spectacular success off the course as well as on. As a player, he is now just four short of Jack Nicklaus's career record of 18 major-tournament victories, has collected $111 million in prize winnings and has 71 PGA Tour victories.

All that made Mr. Woods a natural for Madison Avenue, too, where his income from endorsements with Nike, Accenture PLC, General Motors and others shot up to more than $100 million a year, according to a figure widely accepted by golf experts. Several firms, including Accenture and AT&T Inc., have dropped or scaled back their support since the scandal broke.

The PGA Tour, legally a nonprofit, also

Associated Press

Tiger Woods shown practicing at Torrey Pines in 2008, the last year that he played that event. He was injured in 2009.

was raking in money during those years. The cost of title sponsorships for tournaments grew to as much as $9 million for high-profile events. Full-year prize money jumped to $277 million from $70 million in 1996.

The Tour expanded its golf-course business, opening 11 new Tournament Players Clubs courses between 1997 and 2009, an enterprise now valued at $125 million, according to its financial reports. After covering its operational costs, the Tour donates more than $109 million a year to charity. It also works to foster broader interest in the sport, such as by supporting a program that provides lessons to urban children.

As for tournaments with no sponsor so far, Mr. Finchem is optimistic these will be picked up as the economy gradually improves. Tour officials say the 13 sponsorships still available for 2011 aren't substantially more than usual. Mr. Finchem said the Tour signed 13 sponsorship deals in 2009, including several extensions through 2016, and two more this year.

But so far this season, the mood has been glum. The average TV audience for the season-opening SBS championship in Hawaii was down 21% from a year earlier, and for the Sony Open in mid-January the audience was off 30%. The declines for tournaments where Mr. Woods usually isn't a presence anyway suggests a dwindling of interest by core golf fans.

Organizers of the tournament this week in San Diego say that despite a field that includes fan favorites such as Mr. Mickelson and Rocco Mediate, tickets sales and revenue from premium corporate hospitality seating are down more than 20% from 2008, the last year Mr. Woods played there. (He was injured in 2009.)

With Farmers Insurance signing on so recently, revenues for the PGA Tour from the usually lucrative foursomes where fans play with pros are also down.

"Tiger Woods is golf," said Jay Rosenstein, a former vice president of programming at CBS Sports. "The concern is that for a sport whose identity is so closely tied to the idea of honor, what he's gone through has to be incredibly damaging."

Mr. Woods is on leave from the game, with no word on when he will return. Without his unmatched star power, the value of Tour sponsorships, through which companies cover most tournament prizes, could be sharply lower. And without a rich flow of cash from those sponsorships, the PGA Tour's economic model is cracked.

WORLD NEWS

New China melamine reports

By James T. Areddy

SHANGHAI—Chinese state-run media said the industrial chemical melamine was found again in milk products early last year, the latest report to suggest the government's crackdown on potentially dangerous practices in the dairy industry after a major 2008 food-safety scandal didn't fully resolve the problem.

Milk products made by three companies, **Shandong Zibo Lusaier Dairy** Co., **Liaoning Tieling Wuzhou Food** Co. and **Laoting Kaida Refrigeration Plant**, were found to have included excessive melamine and removed from store shelves in the southwestern province of Guizhou, according to a Jan. 19 news report in the province. The article, which indicated the action took place in early 2009, was reported Monday by the English-language China Daily newspaper, giving it national attention.

A Guizhou government spokeswoman declined to comment. A spokesman for the provincial health bureau didn't return a telephone call and a person answering his phone denied knowledge of a problem. The companies couldn't be reached.

Chinese state media have reported two other times in recent weeks cases of tainted milk discovered elsewhere in the country last year, including in Shanghai. In some of the cases now coming to light, authorities appear to have removed the tainted product from store shelves in early 2009, months after Beijing vowed to restructure its dairy industry to protect the public.

After 300,000 people were sickened by melamine-tainted milk in 2008, including six babies who died, Beijing passed a food-safety law that included promises of stronger testing and recall regimes.

Two of the dairies recently implicated in state media, including Laoting Kaida and **Shanghai Panda Dairy** Co., were also among the 22 companies identified by government inspectors in 2008 as producers of dairy products with melamine, which has widespread commercial applications and can improve readings for protein in tests of milk.

Goldman Sachs caps U.K. pay at $1.6 million

By Aaron Lucchetti And Sara Schaefer Muñoz

Goldman Sachs Group Inc. is limiting compensation for U.K.-based partners to £1 million ($1.6 million), according to a person familiar with the situation.

The move affects the salary and bonus for about 100 of Goldman's top employees in London and is the latest reaction by the company to political ire about Wall Street pay packages. Goldman also is responding to a new U.K. tax on bonuses.

Criticism of Goldman's pay has been especially fierce, partly because of its soaring revenue and profits. Last week, the company reported 2009 earnings of $13.39 billion, a record high that was up from $2.32 billion in profits in 2008.

Goldman set aside $16.19 billion for compensation and benefits, or about 36% of its 2009 net revenue. That was up 48% from 2008, but about $3 billion less than expected by analysts and the lowest compensation ratio by Goldman since the firm's initial public offering in 1999.

The U.K.'s one-time bonus tax was announced last month. Banks are responsible for paying the tax, which is 50% of the portion of any bonus above £25,000 and is due Aug. 31.

FROM PAGE ONE

Whitacre to remain GM chief

Continued from first page

The naming of Mr. Whitacre as permanent CEO is expected to bring some stability to the largest U.S.-based auto maker. Mr. Whitacre took over as interim CEO on Dec. 1 after the ouster of former CEOs Frederick "Fritz" Henderson and Rick Wagoner.

The 68-year-old Whitacre, the former chairman CEO of **AT&T** Inc., was named GM chairman in June by the Obama administration after the company exited an administration-backed bankruptcy that allowed it to shed debt and reduce costs.

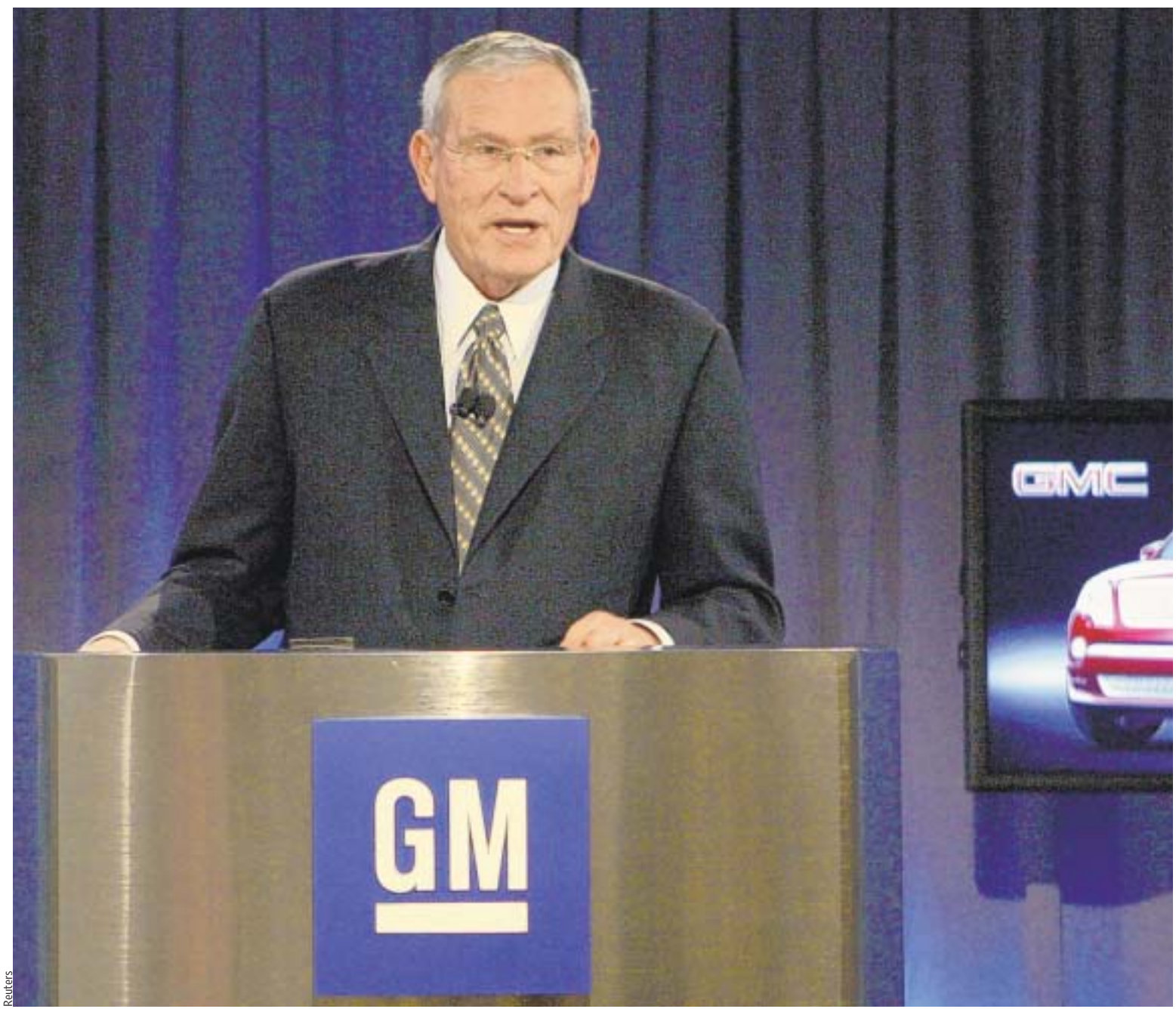
Since taking over the CEO job, Mr. Whitacre has moved quickly to shuffle GM's executive ranks, including the surprise departure of Mr. Henderson one day before he was to deliver the keynote address at the Los Angeles Auto Show. Other changes included the departure of then-CFO Ray Young.

Also Monday, Mr. Whitacre said that 500 to 600 GM dealers are expected to file for arbitration over the company's decision to close their operations.

GM last year said it has too many dealers and would shut those it believes are hindering the company's turnaround plan.

Many of these dealers have said they thought the move was unfair and planned to fight it.

—Joann S. Lublin and Neal E. Boudette contributed to this article.



Reuters

Ed Whitacre Jr. announces in Detroit Monday that he will become GM's permanent CEO. Mr. Whitacre took over as interim CEO on Dec. 1.

KDDI plan to buy Jupiter stake sets up skirmish with NTT

Continued from first page

have pressed the government to reorganize NTT to level the playing field. NTT has said no regulations are needed and free competition should take place.

KDDI has turned to acquisitions to build its broadband network and subscriber base.

It has acquired fiber-optics operations from power companies while steadily building up its cable network with a series of deals.

However, KDDI has had trouble integrating the networks, exacerbating operating losses at its fixed-line business, which has been in the red for five straight years. KDDI is targeting a return to profit for the business in the coming fiscal year starting April 1.

Also Monday, KDDI said its net profit for the fiscal third quarter ended in December fell 35% to 67.36 billion yen, or about $750 million.

KDDI said it will borrow money to pay for the all-cash transaction. At the end of December, the company said it had cash and cash equivalents of 225.8 billion yen.

"KDDI viewed this as a strategic imperative to bolster its fixed-line business," said Nathan Ramler, analyst at Macquarie Equity Research. "The main thinking is that it needed scale and the fixed-line business needed to be larger."

Japan's cable industry, once fragmented into hundreds of smaller providers, has undergone a decade of consolidation. Jupiter is now the largest cable-TV provider, with 2.6 million subscribing households as of Dec. 31, or about one-third of a market that is considerably smaller than that in the U.S. KDDI's cable unit, Japan Cablenet, had nearly 900,000 TV subscribers as of the end of September.

Japan's cable- and satellite-TV providers still struggle to persuade the public to pay for television. Cable programming in Japan lacks the variety and quality of its U.S. counterparts, and Japanese broadcasters still hold a tight grip over the audience with game shows and high-budget dramas.

—Miho Inada and Juro Osawa contributed to this article.

Dispute over funding for a jetliner unites rivals Boeing and Airbus
BUSINESS & FINANCE 20

Corporate governance in India remains opaque
HEARD ON THE STREET 32

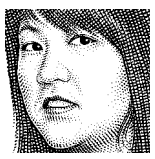
BUSINESS & FINANCE.

Tuesday, January 26, 2010 THE WALL STREET JOURNAL. asia.WSJ.com

Buyout firms find tax net is tightening

[Asia Deal Journal]

BY ELLEN SHENG



HONG KONG—Governments throughout the Asian-Pacific region are targeting private equity, potentially adding new restrictions to what the industry sees as a major growth market.

South Korean tax authorities are gearing up to impose a capital-gains tax on U.S. private-equity firms exiting deals in the country. The proposal has been talked about for years but heated up in recent months.

Australian tax authorities in November slapped U.S. private-equity firm TPG Capital with $620 million in taxes and penalties related to its initial public offering of shares of Myer Holdings Ltd., saying it set up its ownership of the Australian department-store operator as a tax-avoidance plot. (TPG says it did nothing improper.) Weeks later, tax authorities ruled that profits from the sale of assets by private-equity firms can in some cases be classed as taxable income.

Indian lawmakers are considering two proposals that the industry says could crimp growth. One is a draft bill that could override current tax treaties that exclude private-equity firms from paying a capital-gains tax. Another is a proposed flat tax rate of 30% on capital gains.

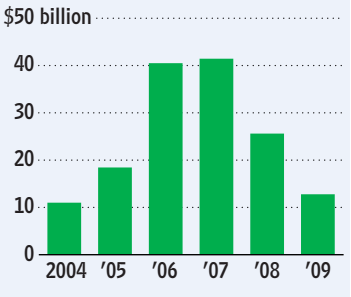
"The thinking is that many investors have come into the country, but the country hasn't earned anything from it," said Vijay Sambamurthi of Lexygen, a Bangalore-based law firm.

The moves are happening at a time when similar legislation is

Please turn to page 24

Slumping

Asian-Pacific financial sponsor M&A buyouts by private-equity firms*



* Excludes add-on transactions
Source: Dealogic

HKEx expects freed yuan

Stock-exchange operator aims to benefit from the eventual liberation of China's currency

BY JONATHAN CHENG

HONG KONG—The new head of Hong Kong's stock exchange, Charles Li, said the exchange would position itself to benefit from liberalization of China's currency, which he said would happen within the next decade.

"Nobody can say when the yuan is going to float freely, and I don't think it's going to happen tomorrow or the day after, but watch carefully, because change is accelerating in China," Mr. Li said Monday.

Mr. Li, the exchange's first mainland Chinese chief executive, also said he would urge Beijing policy makers to allow more capital to flow into Hong Kong.

Mainland Chinese listings were a big reason Hong Kong raised more money in initial public offerings last year than any other exchange. But Mr. Li, who took over as CEO of **Hong Kong Exchanges & Clearing** Ltd. on Jan. 16, comes to the job as the Shanghai and Shenzhen exchanges become more competitive.

Bloomberg News

Charles Li, chief executive officer of Hong Kong Exchanges and Clearing.

To cope, Hong Kong is seeking business from outside China, such as a listing this month by UC Rusal that raised $2.24 billion. The Russian aluminum maker's shares are scheduled to begin trading this week.

But in a nod to Hong Kong's continued reliance on the booming mainland market, Mr. Li said it would thrive by positioning itself as China's middleman at a time when mainland capital is eager to find a home abroad.

"The future is not in relying on the central government for handouts, it's a matter of who can help China figure out how to take the next step, and only Hong Kong can do that," said Mr. Li, a Beijing native, addressing reporters in Mandarin Chinese.

Before China liberalizes its currency, Mr. Li pledged to position Hong Kong to take advantage of that. "Just because the internationalization of the yuan is a ways off, it doesn't mean we do nothing about it," he said. "Some initiatives will work and others won't, but if you don't do any, then it definitely won't work."

Mr. Li noted that "H shares"—Hong Kong-listed shares of mainland Chinese companies, denominated in Hong Kong dollars—were developed in the early 1990s but only took off around 2004.

"Not long ago, China was a planned economy, and if you had asked anyone how a Chinese state-owned enterprise could have its shares listed publicly in Hong Kong, you would have said it was a mission impossible," Mr. Li said.

He said he would lobby Beijing policy makers to open up China's economy, though he warned that central leaders were most concerned about risk.

Mr. Li spent his first weekend on the job as the host of a brainstorming session with his top deputies to begin crafting a strategy for the exchange, but didn't elaborate Monday on his plans.

Last Thursday, Mr. Li signed an agreement for closer cooperation with his counterpart at Shanghai's stock exchange.

Mr. Li, 48 years old, was a former journalist and lawyer who most recently served as chairman of J.P. Morgan China between 2003 and 2009.

JR Central aims bullet train at the U.S.

BY MARIKO SANCHANTA

TOKYO—The iconic needle-nosed Japanese "bullet train" could speed through the swampy marshlands of central Florida if Yoshiyuki Kasai, the chairman of **Central Japan Railway** Co., gets his way.

Mr. Kasai on Monday announced efforts to bring the *shinkansen*, Japan's bullet train, to the U.S. JR Central's push to enter the U.S. comes as Washington prepares to announce how $8 billion in federal stimulus money set aside for high-speed passenger-train service is carved up.

JR Central is up against some tough competition, however. Dozens of international companies, including Germany's **Siemens** AG, Canada's **Bombardier** Inc., France's **Alstom** SA and **General Electric** Co. and **Lockheed Martin** Corp. of the U.S. all are clamoring for a piece of the pie, which is meant in part to create U.S. jobs. The Obama administration is expected to announce as early as this week what projects will receive stimulus funds.

The $8 billion "is oversubscribed by a factor of eight to one," said Richard Lawless, chief executive of U.S.-Japan High Speed Rail, a consulting company JR Central created to market the bullet train. "Of all the corridors we looked at, the one that looks the most promising and immediate is Florida."

The proposed Florida high-speed rail would cost a total of $3.5 billion to construct, including rolling stock,

Bloomberg News

JR Central hopes to tap $8 billion in U.S. stimulus funding to send its shinkansen, seen Monday in Tokyo, to the U.S.

JR Central said.

Congress attached "Buy America" provisions to the stimulus spending aimed at favoring U.S. firms. But JR Central has structured its package in the hopes of meeting those provisions. Officials from U.S.-Japan Maglev, another JR Central consulting company, said they would ask Florida companies to construct the infrastructure for the train, including the signals and track. Part of the rolling stock, or cars, would be built in the U.S. by U.S. companies.

JR Central is marketing two types of high-speed technology: the shinkansen, which travels as fast as 330 kilometers per hour; and the magnetic-levitation, or maglev, train, which can run up to 581 kph , but is more expensive and in only limited use so far.

JR Central has hired two executives with defense experience to head its two Washington consulting firms, which will lobby on Capitol Hill on behalf of the Japanese rail group. Mr. Lawless worked at the Central Intelligence Agency for 15 years and was deputy undersecretary of defense for Asian and Pacific affairs under President George W. Bush from 2002-2007.

Torkel Patterson, the president of U.S.-Japan Maglev, worked at the National Security Council and was president of U.S. defense contractor Raytheon International Inc.

The Japanese rail system is renowned for its efficiency, speed,

Please turn to page 20

Kirin and Suntory beers for sale in Tokyo. A merger of the two would create a giant that could compete with AB Inbev.

Brewer deal turns on ratio

Kirin, Suntory discuss share values, see February merger agreement

By Hiroyuki Kachi And Juro Osawa

TOKYO—**Kirin Holdings** Co. and **Suntory Holdings** Ltd. will likely reach a merger accord during or after February, a person familiar with the matter said, suggesting the companies are still ironing out difficulties as they look to create a competitor to the world's leading brewer, **Anheuser-Busch InBev** NV.

The two companies said in July that it would be possible to reach an accord by the end of the year or later, but the person said it "may be difficult from a common-sense standpoint" to sign an accord by the end of January.

The person also said that a merger ratio that is satisfactory to both parties is one of the most challenging issues in advancing the merger talks, without elaborating.

"How to assess the value of unlisted Suntory and what merger ratio both sides will agree on will be the most complicated part of the merger talks," said Tokai Tokyo Research Center analyst Tomonobu Tsunoyama.

While Kirin shares are dispersed among many holders, Suntory is owned mostly by its founding family. Because of this difference, "there are concerns that Suntory's founding family may become too influential in the merged entity," Mr. Tsunoyama said.

Both Kirin and Suntory said they are proceeding with negotiations, but declined to comment on the details of the talks.

"Suntory's founding family holding a large stake would mean a stable group of shareholders with a solid understanding of the business. For stability of operations, it wouldn't necessarily be a bad thing," said Credit Suisse analyst Yoshiyasu Okihira.

"The merger ratio may not be the only difficulty. Making adjustments in order to obtain approval from Japan's Fair Trade Commission may be another time-consuming process," he said.

Bain Capital to buy Domino's in Japan

By Alison Tudor

TOKYO—Global private equity firm **Bain Capital** said Monday it will buy the master franchisee of **Domino's Pizza** Inc. in Japan and expand the U.S. chain beyond its current focus of Tokyo and Osaka.

Boston-headquartered Bain will buy **Higa Industries** Co. from Japanese companies **Duskin** Co. and **Daiwa SMBC Capital** and Ernest Higa, the company's founder.

Bain didn't disclose the purchase price, but Duskin said in a release it has sold its 44% stake in Higa for 2.64 billion yen (about $29 million), valuing the company at roughly six billion yen. Japan's **Bank of Tokyo Mitsubishi UFJ** provided financing.

The Japanese pizza delivery segment has eked out sales growth averaging 1.6% in recent years, and Domino's has used Japan's love of technology to its advantage. It was the first to put its menu online, and Bain believes that will help it build out the franchise across Japan. Domino's is now No. 3 in sales behind Pizza-La and Pizza Hut.

Sapporo to grow in U.S., Vietnam

By Hiroyuki Kachi

TOKYO—**Sapporo Holdings** Ltd. is looking to capitalize on investments in overseas beer markets, such as North America and Vietnam, to cope with the shrinking home market, where two major rivals are preparing to merge into a single beer giant.

The Japanese brewer, which has more than a 130-year brewing history, has had only limited exposure overseas. Its sales of 414.5 billion yen ($4.61 billion) in 2008 were dwarfed by the combined 3.8 trillion yen sales of **Kirin Holdings** Co. and **Suntory Holdings** Ltd., which are in merger talks.

Despite the popularity of its premium Yebisu brand at home, Sapporo has lost ground domestically. Sapporo was fourth in domestic beer shipments in 2009, behind third-ranked Suntory for the second straight year. Kirin was No. 1.

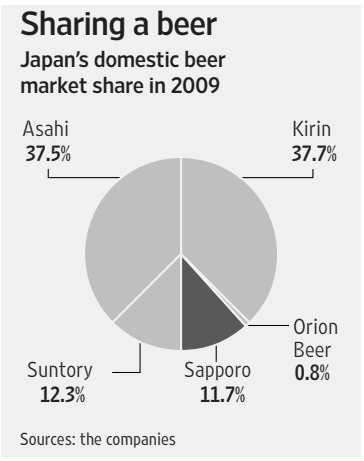
Sapporo has also lagged behind other major Japanese brewers in emerging markets. The company wasn't among brewers rushing into China in the 1990s, where many foreign brewers are still struggling to earn sustainable profits amid intense competition.

But Sapporo is looking to go on the offensive in niche markets outside Japan. With its Toronto-based unit, **Sleeman Breweries** Ltd., it is mapping out a strategy to meet increasing demand in the U.S. and Canada.

"We can expect 10% or more [sales] growth in North America" in 2010, Sapporo Holdings President Takao Murakami said in a recent interview.

Sapporo began selling beer in the U.S. in 1985, targeting Japanese living there. But the 2006 purchase of Sleeman, Canada's third-biggest brewer, has helped Sapporo broaden its customer base and improve its profit margin. Over the past three years, Sleeman's average operating profit made up 10% of its sales, while that of Sapporo U.S.A's was 7%. The figures were well above the 2.6% ratio Sapporo's domestic liquor business registered in 2008.

Sapporo is also feeling the buzz of continued robust demand in Canada for Sleeman's premium and other beers. As well, it expects a pickup in U.S. sales following a 9% decline in 2009 due to the economic slump.



Sleeman's four plants, which also brew Sapporo-brand products for the U.S., are running at full capacity, producing a combined 150,000 kiloliters a year. This suggests demand could reach around 200,000 kiloliters in a few years, Mr. Murakami said.

As an interim solution to meet the rapid increase in demand, Sapporo will outsource production to a local brewery in the U.S., which already produces Sleeman's.

Mr. Murakami said he was "skeptical" that a beer venture in China would reap quick returns, because of the cutthroat competition there. "We think it's too risky for us to go ahead with proactive investment over next 10 to 20 years," he said.

But Sapporo has recently become the first Japanese beer maker planning a production and sales network in Vietnam, where demand has been growing more than 10% annually. Demographically, the market is promising too, with the largest segment of the population in their mid-teenage years.

After a new plant near Ho Chi Minh City comes onstream in 2012, Mr. Murakami said he expects to reach annual profitability in Vietnam in about three years.

Sapporo will soon start test marketing its flagship Black Label brand in the country, Mr. Murakami said.

INDEX TO BUSINESSES AND PEOPLE

Businesses

This index of businesses mentioned in today's issue of The Wall Street Journal is intended to include all significant reference to companies. First reference to the companies appears in bold face type in all articles except those on page one and the editorial pages.

Aegis Group....21
Agricultural Bank of China....32
AK Steel Holding....27
Alstom....17
Aluminum Corp. of China....27
American Express....27
American International Group....20
Anheuser-Busch InBev.18
AT&T....1
Baidu....32
Bain Capital....18,24,32
Bank of China....27,32
Bank of Tokyo Mitsubishi UFJ....18
Baoshan Iron & Steel...27
Barclays....24
BHP Billiton....19,21,27
BlackRock....32
Blue Lake Citrus....22
Boeing....20
Bombardier....17,20
Borders & Southern Petroleum....21
BP....21
Cadbury....27
Central Japan Railway.17
China Construction Bank....27
China First Heavy Industries....27
China National Nuclear 19
Cisco Systems....4
Cnooc....27
Coca-Cola....22
Cupric Canyon Capital..24
Daimler....15
Daiwa SMBC Capital....18
Dentsu....22
Desire Petroleum....21
DLF....32
Domino's Pizza....18
Dow Chemical....10
Duskin....18
Elpida Memory....27
Empresa Brasileira de Aeronáutica....20
EON Bank....27
EON Capital....27
European Aeronautic Defence & Space....20
Falklands Oil & Gas....21
Fujifilm Holdings....9
General Electric....17
Goldman Sachs Group..25
Google....3,4,32
Greenbriar Equity Group....20
Halliburton....24,27
Hanoi Beer....18
Havas....21
Hebei Iron & Steel....27
Hewlett-Packard....27,32
Higa Industries....18,24
Hong Kong Exchanges & Clearing....17
Hong Leong Bank....27
HSBC Holdings....27
Huawei Technologies....32
Hynix Semiconductor....9
Hyundai Motor....27
Ideal Mining....19
Industrial & Commercial Bank of China....27
Innovation Interactive..22
Intel....27
International Lease Finance Corp....20
Japan Petroleum Exploration....27
Jupiter Telecommunications....1
KDDI....1
Kirin Holdings....18
Kraft Foods....27
LG Display....9
LG Electronics....9
Liberty Global....1
Lockheed Martin....17
Mazda Motor....22
Micron Technology....9
Microsoft....1, 4
Mitsubishi Estate....27
Mitsubishi Heavy Industries....20
Mitsui Fudosan....27
Mitsui Sumitomo Insurance Group Holdings....27
Motorola....3
MSCI....32
Nestle....22
Newmont Mining....24
News Corp....22
Nippon Telegraph & Telephone....1
Old Mutual....32
Onex Partners....20
Pacific Metals....27
Panasonic....9
PepsiCo....22
PetroChina....27
Petroleo Brasileiro....21
PGA Tour....14
Procter & Gamble....10
Publicis Groupe S.A....22
Rambus....9
Repsol YPF....21
Rio Tinto....19
Rockhopper Exploration....21
Rohm & Haas....10
Royal Dutch Shell....21
Saigon Beer....18
Samsung Electronics....3,8,9,27
Sapporo Holdings....18
Satyam Computer Services....32
Sharp....9
Siemens....17
Sleeman Breweries....18
Societe Generale....25
Sony....9
Sukhoi....20
Suntory Holdings....18
3Com....32
Tokio Marine Holdings..27
Unilever....10
Vale....19
Wuhan Iron & Steel....27

People

This index lists the names of businesspeople and government regulators who receive significant mention in Today's Journal.

Andree, Tim....22
Arman, Helmi....23
Bartlett, Dennis....24
Baur, Bob....27
Baxter, Thomas....25
Bergin, James....25
Bernanke, Ben....26
Bollore, Vincent....21
Buhlmann, Jerry....21
Bushell, Tim....21
Cameron, James....22
Carbone, Anthony J....10
Chang, Neil....24
Collins, Susan....22
Crittenden, Michael R..25
Dapkus, Andrius....22
Dash, Sweta....9
Dolling, Justin....24
Ellis, David....24
Enders, Stephen....24
Feroli, Michael....6
Finchem, Tim....14
Flam, Gary....27
Gabriel, John....32
Geithner, Timothy....25
Graham-Wood, Malcolm....21
Guana, Alex....9
Hewson, Michael....26
Hochberg, Fred....20
Hughes, Harold....9
Kasai, Yoshiyuki....17
Kent, Muhtar....22
Kim, Chang-man....8
Kwon Young-soo....9
Lawless, Richard....17
Lawson, Ron....24
Leahy, John....20
Lesar, Dave....24
Li, Charles....17
Liddell, Chris....1
Lien, Kathy....26
Li, Philip....19
Liveris, Andrew N.....10
Luke, Tim....9
McConnell, Meg....25
Murakami, Takao....18
Napier, John....21
Ngiam, Ai Ling....23
Obee, Howard....21
Okihira, Yoshiyasu....18
Onodera, Tadashi....1
Oreffice, Paul F....10
Orji, Uche....9
O'Shea, Conor....21
Patel, Deval....32
Patterson, Torkel....17
Paulson, Henry....25
Plueger, John....20
Ramler, Nathan....1
Sambamurthi, Vijay....17
Snider, Timothy R.....24
Stahle, Patrick....21
Steenland, Doug....20
Sung, John....9
Syed Anwar Jamalullail....27
Takashima, Tatsuyoshi.22
Todd, Jonathan....19
Tsunoyama, Tomonobu.18
Udvar-Hazy, Steven....20
Vitters, Scott....22
Wagoner, Rick....1
Whitacre, Edward E. Jr..1
Woods, Tiger....14
Yamashita, Makoto....26
Yonehara, Yasumasa....9
Young, Ray....1
Zervos, David....6

EU scrutinizes mining joint venture

BHP Billiton-Rio Tinto proposal to combine iron-ore output in Western Australia raises concerns about pricing

By Peppi Kiviniemi

BRUSSELS—The European Commission on Monday said it has opened an investigation into the proposed joint venture of mining giants **BHP Billiton** Ltd. and **Rio Tinto** PLC to see whether the proposal would have a detrimental effect on competition.

The companies want to combine their iron-ore production in Western Australia, saying shared production expenses could generate combined savings of nearly $10 billion, which could be passed on to steelmakers in the form of cheaper iron ore.

The commission, the European Union's executive branch, is concerned that the joint venture may have a harmful effect on price competition on the world-wide market for iron ore transported by sea. Rio Tinto and BHP Billiton are, respectively, the second- and third-largest producers of iron ore in the world, after Brazil's **Vale** SA, the commission said.

Through their Brussels-based association Eurofer, European steelmakers are already opposing the deal, saying it would allow the two companies to control supply and drive up ore prices.

"We remain convinced that the joint venture would be an unacceptable concentration which will significantly restrict competition in the seaborne iron-ore market," said the organization's Director General Gordon Moffat. Going from a position of market dominance of three companies to only two will substantially reduce the consumer choice of supplier, the organization added.

The commission's antitrust probe doesn't mean that the antitrust regulator has any prior evidence of wrongdoing by the companies, which are waiting for the commission's decision on their joint venture before implementing it.

The commission's competition spokesman, Jonathan Todd, said the commission intends "to deal with the case as a matter of high priority."

Mr. Todd was unable to give a definite deadline for the probe, saying the duration depends on the complexity of the case and the level of cooperation from the companies.

Brussels-based lawyers say the companies are likely to face a tough investigation, following a failed bid by BHP Billiton to take over Rio Tinto in late 2008.

The focus of the 2008 merger investigation was also on the seaborne iron-ore market, and back then the commission wasn't going to allow the deal without some major divestments, said one lawyer familiar with the deal.

The companies have structured the joint venture in a way that should be more palatable to the commission, having pledged to keep the sales and marketing of the iron ore separate, but whether that is enough remains to be seen, the lawyer said. A Rio Tinto spokesman said the company was cooperating fully with the commission's probe and hoped to have regulatory clarity on the joint venture during the second quarter.

It is up to the companies to convince the commission that combining the two miners' infrastructure in the Australian Pilbara region will lead to the ability "to produce more iron ore at a lower cost," the spokesman added. BHP Billiton said it was also cooperating fully with the investigation and aims to persuade the commission "of the benefits of the joint-venture structure and why it will not raise competition concerns."

CNNC buys stake in Niger uranium mine

By Yvonne Lee
And David Winning

HONG KONG—CNNC International Ltd. on Monday said it will acquire a 37.2% stake in the Azelik uranium mine in Niger through an acquisition of **Ideal Mining** Ltd. for as much as $414 million Hong Kong dollars (US$53.3 million), extending its footprint to Africa for the first time.

The deal comes as China rapidly expands its capacity to generate nuclear power as part of a strategy to minimize use of coal and crude oil, which are widely blamed for making Chinese cities among the smoggiest in the world. CNNC International is the sole platform for its parent, **China National Nuclear** Corp., to secure uranium resources overseas.

Shares of CNNC International jumped 8.3% to HK$8.88 in Hong Kong trading Monday.

CNNC International's financial controller, Philip Li, said the company is looking for acquisition targets in Kazakhstan to boost its uranium reserves. "We hope to become the largest uranium supplier in China in the long run," he said. The Africa mine is expected to start production in the second half of the year, Mr. Li said.

CNNC International said in a statement it will issue as much as US$53.28 million worth of three-year convertible notes, bearing an interest rate of 2%, to its parent to finance the deal. The conversion price of HK$9.50 represents a premium of 15.9% over the company's closing price Friday of HK$8.20. Upon full conversion of the convertible notes, China National Nuclear Corp.'s stake in the company will increase to 65.56% from 62.07%, the statement said.

The transaction shows CNNC International's hunger for deals hasn't been diminished by the suspension of its exploration licenses in Mongolia, which it acquired through the US$25 million takeover of Western Prospector Group Ltd. last year. CNNC International on Aug. 21 said Mongolian regulators imposed a three-month suspension for reasons including alleged breaches of the country's mineral law. The company said Dec. 29 that Mongolian regulators had lifted the suspension.

AEGON
EUR 1,000,000,000
Accelerated Bookbuilt Offering
Joint Bookrunner
August 2009 | ABN AMRO

asciano
AUD 2,350,000,000
Placement and Rights Issue
Joint Lead Manager and Underwriter
June 2009

delta lloyd groep
EUR 1,016,000,000
(pre-greenshoe)
Initial Public Offering
Joint Bookrunner
November 2009

Ford
USD 2,875,000,000
Convertible Bond Offering
Joint Bookrunner
November 2009

SAP
EUR 1,500,000,000
Refinancing of RCF
Joint Bookrunner and
Mandated Lead Arranger
September 2009

RioTinto
AUD 4,244,000,000
Rights Issue
Joint Bookrunner
July 2009

noble group
USD 850,000,000
6.75% 144A / Reg S
Senior Notes Due 2020
Joint Bookrunner
October 2009

sanofi aventis
Because health matters.
EUR 1,500,000,000
Notes due 2013
EUR 1,500,000,000
Notes due 2016
Joint Bookrunner
May 2009

SIEMENS
EUR 2,000,000,000
4.125% Fixed Rate Notes
Due February 2013
EUR 2,000,000,000
5.125% Fixed Rate Notes
Due February 2017
Joint Bookrunner
February 2009

Swedbank
USD 1,000,000,000
2.90% Fixed Rate Senior Unsecured Guaranteed by
Kingdom of Sweden
USD 500,000,000
Floating Rate Senior Unsecured Guaranteed by
Kingdom of Sweden
Due Jan 2013
Joint Bookrunner
June 2009

Korea Eximbank
USD 2,000,000,000
Senior Unsecured SEC
Registered Fixed Rate Notes
Due Jan 2014
Joint Bookrunner
January 2009

U. S. Steel
USD 862,500,000
Convertible Bond Offering
USD 692,070,000
27,140,000 Common Shares
(Follow-On Offering)
Joint Lead Manager
April 2009 | ABN AMRO

Walmart
Save money. Live better.
EUR 1,000,000,000
4.875% Fixed Rate Notes
Due 2029
Joint Bookrunner
September 2009

SAN MIGUEL CORPORATION
USD 1,200,000,000
Divestment of 43.25% Interest in
San Miguel Brewery Inc. to Kirin Holdings
Sole Financial Advisor
May 2009

centrica
GBP 1,266,000,000
Acquisition of Venture
Production by Centrica
Joint Financial Advisor
August 2009

VATTENFALL
EUR 9,951,000,000
Advisor to Vattenfall on the
Acquisition of Nuon
Financial Advisor
July 2009

We are doing a great deal for our clients

The last 18 months have been tough. But while others focused on us, we've remained focused on our clients. Even as the challenges of the global capital markets have continued, these and thousands more of our clients have still achieved their objectives. Through our expert teams around the world, we have supported them with financing and risk management. And we look forward to offering them a great deal more.

rbs.com/gbm

Global Banking & Markets

RBS™
The Royal Bank of Scotland

The Royal Bank of Scotland plc. Registered in Scotland No. 90312. Registered Office: 36 St Andrew Square, Edinburgh EH2 2YB. ABN AMRO Bank N.V. is an authorised agent of The Royal Bank of Scotland plc.

Boeing, Airbus unite in fight

Flap over Canada's financing of new Bombardier jet forces nations back to table on credits

By Daniel Michaels

Airbus and **Boeing** Co. are bitter rivals, but Canadian plane maker **Bombardier** Inc. has united them in opposing its plans for funding sales of a new jetliner. The flap has prompted many of the world's richest countries to meet next week to revisit an earlier agreement that set rules on aircraft-financing deals.

The fight is over a new aircraft from Bombardier that is bigger than the propeller planes and regional jets that the Montreal-based company has made before and which will compete with models from industry giants Boeing of the U.S. and Airbus of Europe.

Canada has proposed financing the plane on advantageous terms permitted for smaller jets, but not for most Airbus and Boeing airliners. Canada says it is free to do so under current international rules.

The U.S., which is supporting Boeing, and the European Union, which is backing Airbus, don't agree with that interpretation. Canada's proposal "really doesn't hold any water," said Fred Hochberg, chairman of the U.S. Export-Import Bank, a government agency that helps fund Boeing sales. "I think it's a threat to American jobs," he said.

Finance officials representing plane makers from Brazil, Japan, Russia and China are also likely to weigh in when talks to resolve the dispute and redefine export-financing rules for the industry begin Feb. 1 at the Organization for Economic Cooperation and Development in Paris.

A spokesman for Canada's Finance Department said his government "fully supports" efforts to resolve the dispute.

The tussle may be one of a series of similar headaches for Boeing and Airbus, a unit of **European Aeronautic Defence & Space** Co., which for more than a decade have split world-wide sales of passenger jets with more than 100 seats.

Both companies value their combined market at more than $3 trillion over the next 20 years. But the duo are starting to face competition from around the world as small-plane makers offer slightly larger models.

Reuters

A Bombardier engineer stands inside a CSeries aircraft fuselage test barrel.

Birds of a feather

With its new CSeries aircraft, Bombardier for the first time will compete directly against Airbus and Boeing.

	Seats (2 classes)	Range (nautical miles)	Price, in millions
Airbus A320 family	107–185	3,000–3,700	$59–90
Boeing 737 family	110–180	3,050–5,510	52–87
Bombardier CSeries family	100–149	1,800–2,950	52–61

Source: the companies

Jet maker **Sukhoi** of Russia, **Mitsubishi Heavy Industries** Ltd. of Japan and a group of Chinese aerospace companies are developing planes that will seat at least 100 passengers, spurred by a desire to extend their product lines as well as reduce their country's dependence on foreigners Boeing and Airbus. Brazil's **Empresa Brasileira de Aeronáutica** SA, or Embraer, already has a plane that seats as many as 100 people.

Bombardier, previously known for so-called regional jets, which generally seat as many as 90 people, is developing a new jet family, called the CSeries, that will seat as many as 150 passengers. That would pit it directly against smaller versions of Boeing's 737 and Airbus's A320 models.

Airbus and Boeing initially brushed off the competitive threat from Bombardier and other newcomers to their market. The two giants have long argued that airlines enjoy big savings in such areas as training pilots and buying spare parts when they buy the bulk of their planes from one supplier, such as Boeing or Airbus, whose aircraft range in size from about 100 seats to more than 500.

But the two companies joined forces last summer when Bombardier proposed financing the CSeries using favorable export-credit terms permissible only for regional jets.

"If there's one thing Airbus and Boeing can agree on, it's this," said Airbus Chief Operating Officer John Leahy. "Bombardier's position clearly would be a distortion of competition." Boeing officials concurred.

A Bombardier spokesman said that, in approving the financing terms, the Canadian government followed existing rules.

Export credit is a type of government-backed financing that most countries offer to foreign buyers of their products or services. It normally involves an export-credit agency guaranteeing to a bank that the buyer—such as an airline—will repay a loan.

If the buyer defaults, the agency repays the bank and pursues the defaulter for reimbursement.

Airplane buyers are major users of export credit because one jetliner can cost more than $200 million. To avoid competing on export subsidies, governments from the home countries of Boeing and Airbus agreed in 1986 on rules that set limits on the scope of their support, such as duration and interest rates.

The goal was to create a level financial playing field that would force Airbus and Boeing to battle primarily on their products' merits.

In recent years, as Bombardier and Brazil's Embraer started selling more regional jets, governments world-wide decided they needed to expand the agreement. In July 2007, after nearly three years of talks, they signed a new pact, called the Aircraft Sector Understanding.

Negotiators failed to agree on common financing terms for all planes, and instead established one set of terms for Airbus and Boeing and more-favorable rules for regional jets. Officials at Boeing and Airbus say they didn't mind because the two markets didn't overlap.

Last year, however, Bombardier began aggressively marketing the CSeries as an alternative to Boeing and Airbus jets, and the Canadian government told the OECD it wanted to classify the plane as a regional jet.

Airbus and Boeing cried foul.

OECD officials aim to reach a new deal this year, hoping to overcome the current pact's shortcomings.

JR Central attempts to send its bullet train to the U.S.

Continued from page 17

punctuality—trains arrive to the minute—and its white-gloved conductors who bow to passengers as they board and depart trains.

Until now, there hasn't been a huge push to market the shinkansen abroad. But faced with a declining population and recent reductions in highway tolls during the holidays, which encourage people to drive during heavy travel periods, JR Central wants to expand abroad.

JR Central is one of six former state-owned railed companies that were privatized in 1987. It operates the bustling service between Tokyo and Osaka, which accounts for 80% of JR Central's revenue. But its profit has declined recently, to 126 billion yen for the fiscal year ended March 31 from 159.7 billion yen in fiscal 2008. Profit is expected to fall slightly this year and drop to 85 billion yen for fiscal 2011.

"We have to expand our manufacturing industry," Mr. Kasai said at a news conference Monday.

Mr. Kasai, who is seen in Japan as an outspoken nationalist, is behind the drive to expand overseas. He was appointed in 2006 by then-Prime Minister Shinzo Abe to a panel aimed to increase the teaching of patriotism in schools, a taboo since World War II.

> Faced with a declining population, the railroad wants to expand abroad.

Mr. Kasai, 69 years old, has described his vision for exporting high-speed rail in political, as much as business, terms. In the past he has expressed concern about exporting, and possibly losing, Japanese technology to China even though it is a fast-growing market. The decision to expand in the U.S. first reflects his view that "bullet-train diplomacy" could help foster broader ties between the two countries.

JR Central hopes to introduce its N700-I Bullet shinkansen in Florida. The train could also be used for travel between Las Vegas and Los Angeles or in Texas and the Midwest, though those routes seem further down the line.

Even more ambitious than the shinkansen is JR Central's plans to lobby for its maglev train in the U.S. JR Central's maglev train is the culmination of years of research and development but no commuter maglev line exists in Japan because of prohibitive costs. Nevertheless, JR Central is pushing the maglev train in such corridors such as Baltimore-Washington and Atlanta to Chattanooga, Tenn.

JR Central's maglev test line in Japan can run at 581 kph. The technology behind it is enormously expensive, however, and JR Central has already spent more than $1 billion developing it.

Maglev trains use powerful magnets that allow the train to skim along its guideway without touching it, reducing friction. JR Central's trains float 10 centimeters above the guideway but need supercooled, superconducting magnets to generate lift. The train still uses wheels because it lifts clear of the guideway only after picking up speed.

Rail-industry observers doubt the commercial viability of maglev technology, given the exorbitant cost of building a track. Apart from a 32-kilometer high-speed line between Shanghai's Pudong airport and its financial district, the only maglev in commercial operation anywhere is the 8.9 kilometer Linimo line opened last year near Nagoya, that travels only reaches 100 kph because its route is so short.

"For far too long, the U.S. has neglected our passenger-rail system," said Mr. Patterson, of U.S.-Japan Maglev. "Now finally we are bringing it into the twenty-first century."

Udvar-Hazy will depart leasing firm

Steven Udvar-Hazy, the chief executive and a founder of **International Lease Finance Corp.**—who tried to extricate the aircraft-leasing firm from its struggling parent, **American International Group** Inc.—is expected to leave the company as soon as this week, people familiar with the matter said.

*By **Serena Ng**, **Joann S. Lublin** and **Doug Cameron***

AIG has been trying to sell ILFC, one of the two biggest aircraft-leasing companies in the world, for the past year. The company may name John Plueger, currently ILFC's president and chief operating officer, to succeed Mr. Udvar-Hazy as chief executive, according to a person familiar with the matter. Discussions on the succession plan are continuing, said another individual.

Mr. Udvar-Hazy, who turns 64 years old in February, was succeeded last month as chairman of ILFC by Douglas Steenland, an AIG board member and the former president and CEO of Northwest Airlines. That change wasn't announced by ILFC or AIG. Mr. Udvar-Hazy didn't respond to a request for comment Sunday.

AIG, which was bailed out by the U.S. government in September 2008, has been looking to sell ILFC or parts of it after deeming the firm a noncore business. It is unclear how Mr. Hazy's departure will affect AIG's effort to find buyers for ILFC, now relying on its parent for some financial support after being effectively frozen out of the public debt markets.

Mr. Udvar-Hazy was recently in talks to buy about $4 billion in planes from the leasing firm, which had total assets of $46 billion as of September 2009. That plan, which had backing from private-equity firms **Greenbriar Equity Group** LLC and **Onex Partners**, was recently rejected, according to people familiar with the situation.

Mr. Udvar-Hazy co-founded ILFC in 1973 with two other individuals and grew it into one of the two largest aircraft-leasing firms in the world, with nearly 1,000 Boeing and Airbus aircraft.

The appointment of Mr. Steenland as ILFC's nonexecutive chairman and the expected selection of an insider to succeed Mr. Udvar-Hazy in leading the business should be welcomed by the industry, according to one airline executive.

Mr. Steenland is chairing an ILFC board committee that was recently created to oversee the proposed purchase of part of its plane fleet by the bidder group involving Mr. Udvar-Hazy, according to a person familiar with the matter. The idea was to make sure "the overall process for conducting an auction for a small slice of the fleet is done at arm's length," this person said.

While ILFC remained profitable in the third quarter of 2009, its roughly $30 billion debt load and continuing lack of access to short-term capital markets have forced the company to rely on federal funds channeled through AIG to meet some financial obligations. Last month, Moody's Investors Service downgraded ILFC's credit rating to "junk" from "investment grade," citing liquidity constraints and waning support from parent AIG.

CORPORATE NEWS

Oil firms prospect in Falklands

Rising prices and advances in drilling technology lure British developers despite inclement weather, chilly politics

By Caroline Henshaw

LONDON—Twelve years after the last prospectors left the Falkland Islands, British oil-exploration companies are returning, lured by rising oil prices and advances in deep-water drilling technology.

But exploration and production around the remote, wind-swept islands—best known as the location of a brief, bloody war 28 years ago—have been handicapped by a harsh climate and dicey politics.

Analysts say that as much as 60 billion barrels of high-grade oil could be found in the 200-square-mile economic zone surrounding the islands. That could make the Falklands one of the world's largest oil reserves, comparable with the North Sea, which so far has produced about 40 billion barrels.

Next month, **Desire Petroleum** PLC and **Rockhopper Exploration** PLC will begin exploring a region of the North Basin, 22 miles from the islands, where they have shared and separate prospects.

They are drilling in the same area where a consortium of large oil companies, including **Royal Dutch Shell** PLC, led the first wave of drilling in 1998. Only six wells were drilled in an area half the size of Texas.

Although oil was found, prices around $10 a barrel made the prospects commercially not viable and further development was abandoned.

Reuters

Temperatures in the Falklands Islands' Southern Basin, among the world's southernmost prospects, average a low around 36 degrees in winter.

But improved technology and higher prices are prompting oil companies to return, and the appetite for investment risk in London is growing. The four companies that are leading the campaign, all listed on the Alternative Investment Market, raised a total £327 million ($527 million) in share placements in a single month. Desire's shares have nearly doubled during the past three months.

"Exploration and risk are back in vogue," says Howard Obee, chief executive of **Borders & Southern Petroleum** PLC, which has prospects to the south. Borders & Southern raised £113 million in rights placements, more than its market capitalization.

Geologists believe the uncharted waters of the south could hold the largest finds.

Tim Bushell, chief executive of **Falklands Oil & Gas** Ltd., holds four prospects in the south in partnership with **BHP Billiton**. He compares the geology with that found near off Argentina's coast, where six billion barrels have been found. Other plays show characteristics similar to exploration hot spots in West Africa and Brazil, he says.

If a company finds oil, it could be viable as long as oil fetches $25 a barrel, less than a third of current market prices, Mr. Bushell says. Crude oil closed Friday at $74.54 on the New York Mercantile Exchange.

The Falklands government takes only a 26% share of oil earnings plus a 9% royalty on each barrel of oil sold, making it one of the most favorable areas in the world for exploration.

Still, the hurdles to exploration are vast. The South Basin reaches depths approaching 10,000 feet. Temperatures in the basin, one of the southernmost prospects in the world, average a low around 36 degrees Fahrenheit in winter, and the average rainfall can be as high as 2.4 inches a day. While this environment is similar to the established oil fields of the North Sea, the costs of operating a rig run to around $1 million a day, meaning losses are high if drilling stops during storms.

Political tensions surrounding drilling are also high. After the 1982 Falklands War, the islands remained a U.K. overseas territory. But Argentina has done its best to isolate the Falklands and pressured neighboring countries, such as Chile, to do the same.

Tensions in the region have been growing in recent weeks, after Argentina's Congress passed a law on Dec. 9 identifying the Falklands, as well as part of the Antarctic shelf, as belonging to Argentina. Britain says it "firmly rejects" the claim, but Argentina continues to agitate in diplomatic forums to have its sovereignty recognized.

The political complications make it difficult to know who would be willing to purchase or operate any finds in the Falklands, says Malcolm Graham-Wood, an analyst with Westhouse Securities. None of the majors with operations in Argentina, including Spain's **Repsol YPF** SA, the U.K.'s **BP** PLC and Brazil's **Petroleo Brasileiro** SA, which are drilling in the nearby Cuenca Malvinas, have ventured into the islands.

"If this was a huge success in somewhere like Uganda, you would have all the usual suspects lined up to take over," Mr. Graham-Wood says. "You can rule out quite a lot of potential bidders just because of the dispute with Argentina."

But despite the politics, the Falklands will remain the next frontier in oil exploration. "Geology doesn't stop at political borders," says Mr. Obee, of Borders & Southern. "There are complications, but if it were that easy, everyone would be in exploration."

Aegis sets joint venture in China to raise profile

By Ruth Bender

U.K. media agency **Aegis Group** PLC on Monday said it will create a joint venture with Chinese ad agency and TV-slot buyer **Charm Communications** Inc. to boost its exposure to a high-growth market where it has lagged behind rivals.

Aegis said it will buy a 17.7% stake in Charm Communications, the largest broker for China's state broadcaster, China Central Television. Charm has gross assets of $143 million, and its clients include China Telecom Corp. and China Citic Bank Corp.

Aegis said its Vizeum unit will form a joint venture with Charm Communications called Vizeum China.

Initially, Aegis will hold 40% of the joint venture, but by 2024, it will own 100% as the group increases its ownership in a deal that "significantly extends our Chinese operations and will further transform our prospects in this exciting and dynamic market," said Jerry Buhlmann, CEO of Aegis Media. Financial details weren't disclosed.

China was one of the only advertising markets to still grow in 2009, recording a gain of 6.9%. It is expected to grow 9% in 2010, according to forecasts from Carat, an Aegis media-buying unit.

Aegis, whose clients include Nokia Corp., Coca-Cola Co. and Adidas AG, doesn't disclose what percentage of its sales come from emerging markets.

Aegis has undertaken few acquisitions in recent months, not only because of the economic crisis, but because of significant disruption to its management that has led to questions over how well it can execute strategy.

In November 2008, Chief Executive Robert Lerwill quit and has yet to be replaced. His departure revived speculation that Vincent Bollore, the French industrialist who owns nearly 30% of Aegis and is also a controlling stockholder and chairman of French peer **Havas** SA, could merge the two companies—speculation Aegis said has no substance.

Aegis is currently headed by chairman and interim CEO John Napier.

Aegis Media, the group's media-communications network that owns Carat, signaled last year that it expects China to be the world's fastest-growing advertising market in dollar terms and the only one to grow significantly in 2010 as other markets recover slowly from the slump that has badly hurt the industry and led to thousands of job losses across the sector.

Patrick Stahle, chief executive of Aegis Media's Asia-Pacific operations, said in October that the Chinese government's subsidy programs, which included appliance and electronics rebates for consumers in the countryside, aided the speedy recovery of China's advertising market.

"Media agencies discovered in 2009 that they need more local Chinese clients to fully benefit from the strong growth on this market, and I think we will see more buys of local agencies," said Kepler analyst Conor O'Shea.

Ground breaking indexes.

Dow Jones Brookfield Infrastructure Indexes℠

A cornerstone of government economic stimulus packages worldwide is investment in vital infrastructure projects such as water, bridges and highways. The **Dow Jones Brookfield Infrastructure Indexes℠** measure the stock performance of companies in these increasingly important sectors.

The indexes are made up of companies that own and operate infrastructure assets, and include only companies that exhibit strong infrastructure characteristics. This innovative approach ensures a balanced and diverse component set that covers all major infrastructure types and countries around the globe.

Learn how our infrastructure indexes are changing the landscape for the world's investors. Visit **www.djbrookfieldinfrastructure.com** for index data, information and a list of top components.

Dow Jones Indexes. The markets' measure.

"Dow Jones®" and "Dow Jones Indexes" are service marks of Dow Jones & Company, Inc. "Brookfield" is a service mark of Brookfield Asset Management Inc. or its affiliates. The "Dow Jones Brookfield Infrastructure Indexes" are published pursuant to an agreement between Dow Jones & Company, Inc. and Brookfield Asset Management.

DOWJONES

'Avatar' to surpass 'Titanic' in receipts

By Ethan Smith

Barely a month after hitting theaters, James Cameron's "Avatar" is on a course to become the highest-grossing movie of all time.

The estimated world-wide tally for the Twentieth Century Fox science-fiction epic was just $2 million shy of the total posted in 1997 by "Titanic"—the previous feature film directed by Mr. Cameron. Sunday, the estimated global take for "Avatar" was $1.841 billion, compared with the $1.843 billion that "Titanic" earned over the course of about 10 months.

Twentieth Century Fox is owned by **News Corp.**, which also owns The Wall Street Journal.

Given that "Avatar" grosses well over $2 million in the U.S. alone on most weekdays, the film appeared certain to surpass the previous world-wide record holder Monday.

With $36 million in estimated domestic U.S. ticket sales this weekend, the futuristic action flick was No. 1 at the U.S. box office for the sixth weekend in a row, for a total of $552.8 million.

The movie, which uses modern 3-D technology, went home with trophies for best drama and best director at last week's Golden Globe awards. If it is among the 10 nominees for Best Picture when the Oscar lists are unveiled Feb. 2, the coming Academy Awards could help boost the movie far beyond the $601 million posted by "Titanic" domestically.

In addition to the sales lift provided by the premium price attached to 3-D tickets, "Avatar" has been propelled to its current position by positive reviews and strong word-of-mouth buzz.

Home video may pose a challenge for the film. Movies that are shown in 3-D in theaters generally perform worse on DVD than their 2-D counterparts. Electronics companies have begun touting home-entertainment systems capable of displaying 3-D movies on specially made Blu-ray discs, but the equipment is unlikely to be widespread enough by the time "Avatar" is released to justify a 3-D home video release right away.

China unveils program to promote film industry

By Aaron Back

BEIJING—China on Monday unveiled measures to promote the development of its film industry, and reiterated a rule that requires theaters to reserve two-thirds of screening time for domestic film titles.

China still sharply limits the showing of new foreign films, with only 20 allowed to be screened in movie theaters each year. It also blacks out foreign films during key national holidays such as the coming Lunar New Year, when cinemas are heavily trafficked, to bolster the local industry.

Last week, Chinese authorities curtailed showings of the hit "Avatar" to make room for a state-sponsored biography of the Chinese philosopher Confucius, according to industry executives.

China's State Council, or cabinet, said in a statement Monday it would seek to increase investment in the domestic film industry and increase its international competitiveness between now and 2015. The statement cited the industry's important contribution to maintaining fast economic growth, noting it is growing at over 20% a year, as well as to the country's "cultural soft power."

China will promote the construction of digital cinemas through subsidies and preferential tax measures, the statement said. China will also encourage financial institutions to increase support of the film industry through bank lending, bond issuance and venture capital financing.

Many of Beijing's policies to promote its domestic film industry have caused controversy. In December, the World Trade Organization ruled that China should open its market to foreign films by lifting the requirement that the movies be sold through a government-run monopoly. The system allegedly discriminates against foreign films and limits foreign companies' revenues.

Mazda's China Growth to Slow

By Norihiko Shirouzu

BEIJING—**Mazda Motor** Corp. expects to sell 220,000 vehicles in China this year, up about 22% from 2009, a spokesman said Monday.

The forecast would mean a sharp slowdown in the Japanese company's growth rate in China this year. Last year, when China surpassed the U.S. to become the world's biggest auto market, Mazda's sales in the country surged 41% to 179,679 vehicles.

But the forecast also puts Mazda's expected growth rate ahead of what analysts are predicting for the industry overall in China.

According to its latest forecast, J.D. Power & Associates expects sales of light vehicles—passenger cars and commercial vehicles—in China to rise 7% to 13.8 million vehicles this year. It said passenger-vehicle demand is likely to increase 10% to 9.6 million vehicles.

Last year, overall light-vehicle sales in China rose 48% to 13 million units, J.D. Power estimates. Analysts say incentives and stimulus measures rolled out by China's government in 2009 may have pulled forward demand from this year.

J.D. Power said the market also faces risks this year from efforts by the government to rein in growth, to prevent booming credit and investment from triggering inflation and asset bubbles. "Manufacturers' optimism remains high for 2010," the research company said in its report. "However, we note an emerging risk in the [Chinese] government's tightening policy."

A label from one of Coca-Cola's new bottles. According to Coke, its new packaging will leave a smaller carbon footprint. Environmental groups, which have been critical of Coke, say the bottle is a slight improvement over regular PET bottles.

Coke bottle is part plant

New container uses sugar cane but feels, functions like a plastic one

By Chris Herring

Coca-Cola Co., under fire from environmentalists for using plastic bottles, has introduced a new packaging material made partly from plants. The container has "the same weight, the same feel, the same chemistry, and functions exactly the same way" as a regular plastic bottle, a Coke spokeswoman says.

Coke isn't the only beverage concern trying to reduce its carbon footprint. **PepsiCo** Inc. has introduced a compostable bag made from plants for its SunChips snacks. But Coke is the world's biggest drink maker, and Coke Chief Executive Muhtar Kent calls the new container, which uses material derived from sugar cane, "the first generation of the bottle of the future."

Coke touted its "plantbottle" at the Climate Change Summit in Copenhagen last month, and it plans another push next month at the Winter Olympics in Vancouver, where all the sodas and water it provides will be packaged in the plantbottle. "Preliminary research" shows the new container leaves a smaller carbon footprint than regular plastic bottles, Coke says.

Coke says it aims to sell two billion drinks in plantbottles globally by the end of 2010.

Traditional plastic bottles are made from polyethylene terephthalate, commonly known as PET, which is derived from petroleum, a nonrenewable resource. In 2006, production of plastic bottles for U.S. beverage consumption required the equivalent of more than 17 million barrels of oil, according to the Pacific Institute, a California-based environmental think tank.

The new plant-based bottle developed by Coke is 70% petroleum-based and 30% sugar-cane-based materials. The cane is crushed and mashed to produce juice, which is then fermented and distilled, producing ethanol. That ethanol is then converted through a series of chemical processes such as oxidation to a mono-ethylene glycol—a component normally derived from petroleum for use in plastic bottles. The MEG is then mixed with terephthalic acid to create PET plastic.

With the Vancouver 2010 Winter Olympic Games just a few weeks away, the company has introduced plantbottles containing its Dasani water in the U.S. Pacific Northwest and Western Canada. Coke also commissioned and funded an Imperial College London analysis that compared the "life cycle" of the new bottle to a regular plastic bottle to see if the impact on the environment was different, says Scott Vitters, the company's director of sustainable packaging. He says the study found that production of the plantbottle leaves a 12%-to-19% smaller carbon footprint than production of a regular plastic bottle. The company is awaiting third-party verification of the findings.

> Plant-based bottles often have a shorter shelf life than PET bottles, experts say.

Environmental groups say the Coke bottle now being introduced is a slight improvement over regular PET bottles, but they say it won't solve a bigger problem with plastic bottles: the fact that most consumers don't recycle them.

A mere 27% of PET containers were recycled in the U.S. in 2008, according to the National Association for PET Container Resources. The new bottle is "definitely positive, but no, this doesn't make me jump up and down with joy," says Susan Collins, executive director of the Container Recycling Institute, who wishes the beverage makers would also use recycled content.

And some competitors question Coke's assessment of the plantbottle's environmental footprint. "It's an admirable first step that Coke is taking," says Andrius Dapkus, director of innovations and renovations for Nestlé Waters North America Inc., a **Nestlé** SA unit that markets tPoland Spring, Deer Park and other bottled waters. "But as it stands today, we still don't know whether a plantbottle's environmental footprint is better, worse or the same" as that of an oil-derived bottle.

Instead of changing ingredients, Nestlé is continuing to reduce the amount of plastic in its bottles, a strategy known as "lightweighting" that Coke and PepsiCo also use. In the spring, Nestlé plans to introduce a new, lighter version of its EcoShape bottle.

PepsiCo's 10.5-ounce SunChips bag is 33% polylactic acid, which is derived from corn. The company's bags will be 90% plant-based by Earth Day on April 22, says Robert Lewis, a PepsiCo vice president who works on new packaging.

Plant-based bottles can pose hurdles, beverage-industry experts acknowledge. The bottles often have a shorter shelf life than PET bottles, and they don't hold carbonation as long, says Wade Groetsch, president of **Blue Lake Citrus** LLC, a Winter Haven, Fla.-based juice processor.

Mr. Groetsch's company uses plastic containers that are 100% polylactic acid, derived from corn, for its organic Noble Juices drinks. "It just doesn't keep the product protected the same way that the current bottles do," he says. "It's definitely a tradeoff."

Dentsu in talks to buy digital ad firm

By Suzanne Vranica

Dentsu Inc. is in talks to acquire **Innovation Interactive** Inc., a New York digital advertising and marketing firm, according to a person familiar with the matter, as Japan's largest ad company seeks to become less reliant on its home market.

Innovation Interactive, which owns digital ad agency 360i and Internet-search marketing firm SearchIgnite, has about 300 employees and has worked for companies such as E-Trade Financial Corp., Reckitt Benckiser Group PLC and General Electric Co.'s NBC Universal.

The cash deal being discussed is valued at roughly $200 million, the person familiar with the matter said. In 2009, Innovation's revenue was about $69 million, according to the person.

After years of flirting with the U.S. market, Tokyo-based Dentsu, a giant advertising and marketing company, has become aggressive in its bid to bolster its U.S. presence. In 2008, it purchased McGarry Bowen, one of the largest independent ad boutiques in New York, and named Tim Andree, the chief executive officer of Dentsu America, as Dentsu's first non-Japanese executive officer.

The talks come several months after Dentsu failed in its attempt to buy Razorfish, a digital agency that was owned by Microsoft Corp. **Publicis Groupe** SA was the victor in that contest.

Since coming up short on Razorfish, Tatsuyoshi Takashima, Dentsu's president and chief executive, has been outspoken about his desire to find new acquisition targets, as Dentsu faces falling advertising spending in traditional media in Japan. The company, whose clients include Toyota, Honda, Hitachi and Sony, generates 8.7% of its net sales overseas. It recently said it aims to boost that figure to at least 12% by 2013.

MARKETS

Fitch raises Indonesia credit rating

The country's debt ratio declined last year and international reserves grew; there is some risk of capital outflow

By I Made Sentana

JAKARTA—Fitch Ratings upgraded Indonesia's sovereign credit rating on Monday to one notch below investment grade, reflecting the country's resilience to the recent global financial crisis, but warned that the economy remained vulnerable to sudden capital outflows.

Fitch raised Indonesia long-term foreign and local currency issuer default ratings one notch to BB-plus from BB. The outlooks on the ratings are stable. The revision is the equivalent of one notch higher than the Ba2 rating assigned by Moody's and two levels above Standard & Poor's BB-minus.

"The rating action reflects Indonesia's relative resilience to the severe global financial stress test of 2008-2009, which has been underpinned by continued improvements in the country's public finances, a fundamental sovereign rating strength, and a material easing of external financing constraints," Ai Ling Ngiam, a director in Fitch's sovereign ratings team, said.

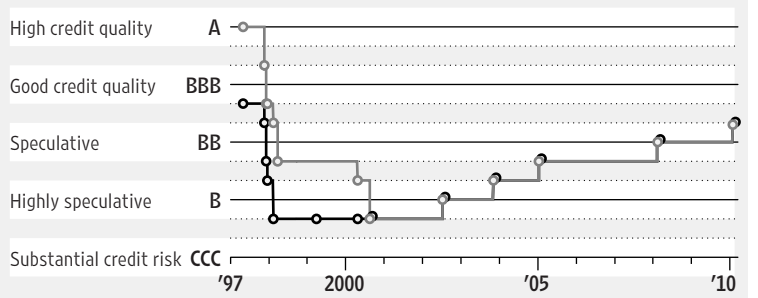
Indonesia's public-debt ratios declined throughout 2009, falling to 30% of gross domestic product, and international reserves, including gold, rose 28% to $66 billion, Fitch said. Its economy grew at rate of 4.6%, the eighth-highest among all Fitch-rated sovereigns.

Fitch believes that the government has the "fiscal flexibility to embark on an ambitious agenda to tackle longer-term developmental issues, such as improving the poor infrastructure and investment promotion as well as raising industrial and export competitiveness," Miss Ngiam said.

However, there is risk to longer-term developmental priorities if fiscal inefficiencies tied to electricity and fuel prices remain unresolved. The government said recently that it won't increase prices this year in order to support consumer demand, the key pillar of Southeast Asia's largest economy.

Coming back

Indonesia's sovereign credit rating by Fitch Ratings



Source: Fitch Ratings

Analysts, however, said that the move may have been made to garner popular support rather than for economic purposes. The government is trying to shore up its sliding popularity amid accusations of corruption that have led to political infighting.

"Going forward, I think we should start considering how Indonesia's recent political dynamics might adversely affect reforms," Bank Danamon economist Helmi Arman said.

The Indonesian market mostly welcomed the news. The rupiah regained lost ground, trading at 9,350 to the U.S. dollar compared with 9,370 rupiah earlier in the day. Bond investors started bidding for local bonds, which have been under selling pressure since last week.

In overseas trading, Indonesia's five-year credit-default swap tightened by about 0.05 percentage point to between 2 and 2.1 percentage points.

Fitch said Indonesia's capital markets remain vulnerable to outflows. But it said the economy is better placed than before to face any sudden investor risk aversion or oil price hikes, due to exchange-rate flexibility, further improvement in external finances resulting from higher foreign reserves, lower gross external financing requirements, and a stronger international liquidity position.

Asia Society®

20th Asian Corporate Conference

March 18–20, 2010 | Taj Palace Hotel | New Delhi, India

INVESTMENT
INNOVATION
INDUSTRY
SUSTAINABILITY
INFRASTRUCTURE

POWERING ASIA'S ASCENT

Invited Opening Keynote Address:
Manmohan Singh, Prime Minister, India

For information and registration details, visit:
AsiaSociety.org/conference10

Program Contact (U.S.): Maria Gibson, Asia Society
T: 212.327.9370 | F: 212.517.8315 | E: delhi2010@asiasoc.org

Program Contact (India): Anu Bakhshi, Asia Society
T: +91.9810071177 | E: anubakhshi@asiasociety.org.in

CO-ORGANIZERS

THE WALL STREET JOURNAL. ASIA
PRINT • ONLINE • MOBILE

CII
Confederation of Indian Industry

MARKETS

Global demand to buoy cotton-futures prices

By Holly Henschen

Rising global demand is likely to offset an expected increase in the number of acres planted with cotton in the U.S., building a foundation for high cotton-futures prices to persist.

Cotton prices are up 17% since this time a year ago amid tight supplies and growing consumption, and those high prices make cotton attractive for farmers planning what to plant in the spring. The March cotton contract on the ICE Futures U.S. exchange settled at 71.07 cents a pound Friday.

March cotton prices are likely to stay in a range of roughly 68 cents to 77 cents through the spring planting season, analysts say. When the March contract expires, deferred months could carry that price strength into the autumn—when the harvest typically weighs down prices—because of the expected growth in demand.

The world will need all the extra cotton acreage it can get this year, given that demand is expected to rebound. Ron Lawson, managing director at Logic Investment Services, pointed to U.S. Department of Agriculture data that peg world cotton consumption at 114.36 million bales in the current marketing year that ends July 31. That figure is 10% higher than production estimates in the same time frame.

"If cotton consumption continues to improve at the rate that it has been, you're going to have to see a 20% increase in production just to keep up with demand," Mr. Lawson said.

Since 2006, cotton acreage has declined year-over-year as farmers reacted to higher corn and soybean prices that were driven up in part by biofuel demand. In 2009, U.S. cotton plantings totaled only 9.15 million acres, a 26-year low. Analysts expect that downward trend to end this year, however, as the high cotton prices offer an incentive for producers to switch.

The 2010 U.S. cotton plantings are projected by analysts to come in 6.6% to 9.3% higher than last year at 9.75 million to 10 million acres.

The acreage picture will become even clearer on March 31, when the USDA releases its annual prospective plantings report. The drop in acreage in 2009 meant U.S. supplies fell sharply. While low supplies weren't an issue during the global recession, as the economy recovers, tight current supplies are one reason prices have held at these levels.

The International Cotton Advisory Committee, a global advisory group, is expecting an 8.8% rise in world cotton production and a 1.8% rise in consumption. Even with the increase in production, the group sees supply and demand just in balance at 111 million bales for both in the coming 2010-11 marketing year.

The forecast for stronger consumption comes on ideas textile mills will make additional purchases to meet the rising demand that is expected to accompany the forecast economic recovery in 2010 and 2011, analysts said. Consumers tend to cut textile purchases when budgets are tight. But after an extended economic crunch, replacements for worn-out clothing and linens rise to the top of many shopping lists.

Copper vets bet with start-up

By Carolyn Cui

There is no way copper prices can keep soaring, right?

Don't tell that to a group of copper-mining veterans hoping to again hit pay dirt.

The team is launching a company to search for overlooked deposits. The start-up company, **Cupric Canyon Capital** LLC, is headed by Timothy Snider, former president and chief operating officer of Freeport-McMoRan Copper & Gold Inc., one of the world's largest copper producers.

"We are all firm believers in the copper business going forward," says Mr. Snider, who set up Cupric this month with several alumni from Phelps Dodge Corp., a copper miner that Freeport acquired for $25.9 billion in 2007.

M. Stephen Enders, a former Phelps president and a geologist with **Newmont Mining** Corp., also is joining Cupric.

Copper was the second-best-performing commodity in 2009, up 139%, behind only lead.

Prices of the red metal were propped up by strong demand from emerging countries where copper is used for infrastructure, cars and home appliances.

Copper also is a bet on China. Chinese copper demand, which accounts for 40% of the world's total, jumped 43% in the first 10 months of 2009, largely offsetting the rest of the world's decline of 18%, according to the International Copper Study Group.

Copper futures

Daily settlement price on the continuous front-month contract on the Comex division of Nymex. Midday Monday: $3.3735 a pound up 3.50 cents, or 1.05%

Source: Thomson Reuters via WSJ Market Data Group

Still, the supply of copper is actually edging higher, suggesting prices may hit a ceiling. Mine production rose 2% in the same period, contributing to a small surplus of 79,000 metric tons. A metric ton is equal to 2,204.62 pounds.

Copper inventories at warehouses in London and Shanghai, where the metal is mostly traded, keep heading up.

Some analysts are concerned about a potential copper correction because of these increasing stocks.

But Mr. Snider says, "Our vision in the copper domain isn't necessarily for the near term." With demand rising in China, mine production likely will be outstripped by consumption, he says, at least over the long haul.

Copper is up 0.3% so far this year, closing at $3.3385 a pound on Friday at Comex, the metals' division of CME Group.

That represented a gain of 5.35 cents, or 1.6%, for the day. For the week, copper futures lost 1.65 cents a pound, or 0.5%. That was the second consecutive week the price declined. Late morning Monday, the metal was up 3.50 cents.

Cupric Canyon will scout the world for undeveloped copper deposits that contain resources but have been shelved for technical, geological or environmental reasons.

The company will take over these assets, or team up with existing owners, conduct additional drilling and feasibility studies, and advance the sites toward production, says Dennis Bartlett, chief executive of Cupric, a former senior vice president of development at Phelps Dodge. Typically, it can take as long as a decade to bring a project into production.

Barclays Natural Resource Investments, a unit of **Barclays** PLC's Barclays Capital, will back Cupric with an initial investment of as much as $100 million.

The bank anticipates making a larger investment down the road, says David Ellis, a director at BNRI.

Barclays Capital is bullish on copper, projecting that the average price will rise 34% this year from 2009.

Halliburton's earnings decline 48%

By Tess Stynes

Halliburton Co.'s fourth-quarter earnings fell 48% as the world's second-largest oil-field-services company behind Schlumberger Ltd. reported weaker revenue. Demand in North America picked up sequentially, though international activity was down.

Signs emerged late last year that North American demand had bottomed, though robust natural-gas supplies were expected to continue to weigh on the sector. Houston-based Halliburton, which like others has been relying on international markets for growth, last month warned that a "major reduction" in drilling caused by Mexico's state-owned oil company, Petróleos Mexicanos, would cut quarterly earnings.

Chairman and Chief Executive Dave Lesar said Monday that a number of oil-and-gas explorers are planning to spend more this year "for new frontier developments and ultra-deepwater" plays, a strong-point for Halliburton. "However, we expect operator investment will remain weighted toward the second half of the year."

Halliburton reported a fourth-quarter profit of $243 million, or 27 cents a share, off from $468 million, or 52 cents a share, a year earlier. Revenue fell 25% to $3.69 billion.

Revenue rose 3% sequentially. International revenue declined 2% sequentially.

—Jason Womack contributed to this article.

Buyout firms find the tax net tightening

Continued from page 17

being discussed in the U.S. and Europe—no surprise as governments around the globe look for ways to pay for stimulus efforts enacted during last year's global economic slump. In the U.S., policy makers are discussing taxing carried interest as ordinary income, while there have been various calls for more industry regulations and changes to capital-gains-tax rules in Europe.

But the tightening in Asia reflects the fact that, after years of trying to court foreign investors, many countries there are no longer as concerned with raising capital. Asia is the world's top growth market, and investor interest has surged along with the return of market strength. Equity markets in places like China, Hong Kong, South Korea and India are among the world's best-performing.

That leaves private equity in the tough position of having to justify its place in the region's financial markets.

"People have questioned if private equity is good for the economy. It builds companies and creates value and there is a lot of evidence to support this, but historically the industry has not been good at advertising what it does," said Justin Dolling, partner at Kirkland & Ellis International LLP.

Rising nationalist sentiment—which has complicated a number of deals in recent years—has also hurt the industry. "What's different about Asia versus the U.S. is that these guys were making a lot of money and not paying taxes and are foreigners. This amplifies the sense of being taken advantage by colonialists and stokes lots of anti-West sentiment," said Neil Chang, international counsel at Debevoise & Plimpton in Hong Kong.

Deals are still happening. On Monday, private-equity firm **Bain Capital** said it will buy **Higa Industries** Co., the master franchisee of Domino's Pizza in Japan, for an undisclosed amount.

But it is unclear when dealmaking might return to previous highs. The deal value for private-equity buyouts in the Asian-Pacific region, including Japan and Australia, totaled $12.7 billion in 2009, down from $25.6 billion the year in 2008, according to Dealogic.

To convince skeptics, global firms such as TPG Capital, Kohlberg Kravis Roberts & Co. and Carlyle Group have formed industry groups such as the Emerging Market Private Equity Association, the Private Equity Council in Washington, D.C. and the British Venture Capital Commission to spread their message. It remains to be seen how effective these groups will be.

Upcoming tests include China, which is close to unveiling a regulatory framework for the private-equity industry. The outcome could help determine whether private equity plays an active role in the region's development or watches from the sidelines.

The Mart

AUCTIONS

LIVE & ONSITE
PUBLIC AUCTION
THURS FEB 4TH AT 10:30 AM
RECEIVER'S SALE
OFFSET PRINTING PLANT
• PRE-PRESS & BINDERY EQUIPMENT •
• 2006 HEIDELBERG 10 COLOR PERFECTOR •
• 2005 HEIDELBERG ST350 STITCHMASTER
SADDLE STITCHER • 2005 POLAR 137XT
AUTOTRIM PAPER CUTTING SYS • OFFSET PRESSES
• FOLDERS • PLOTTERS • TRUCKS • PAPER
INVENTORY • PLANT SUPPORT & OFFICE EQUIP •
• REAL ESTATE • LAND & BUILDING •
KENDALL LAND COMPANY, LLC
Kendall PRINTING COMPANY
3331 W. 29TH ST. GREELEY, CO
TO BE SOLD ON PREMISES & BY LIVE INTERNET BIDDING
★ LIVE ONSITE & INTERNET BIDDING AVAIL. AT www.bidspotter.com ★
FOR TERMS & CONDITIONS OF SALE SEND FOR DESCRIPTIVE PICTURE BROCHURE OR VISIT WEB AT www.posnik.com
DONALD A. TOWNER, RECEIVER
(WELD COUNTY DIST CT CASE NO. 2009CV1103)
INSPECT: WED., FEB. 3RD – 10 AM TO 4 PM & DAY OF SALE – 8:30 AM TO 10:30 AM
Aaron Posnik
AUCTIONEERS • APPRAISERS
Springfield, MA • Philadelphia, PA
413-733-5238 • 610-853-6655
TOLL FREE 1-877-POSNIK1 • (767-6451)
MA Auc Lic #161 • PA Auc Lic #AY000241L
Web: www.posnik.com
E-mail: info@posnik.com

BUSINESS SERVICES

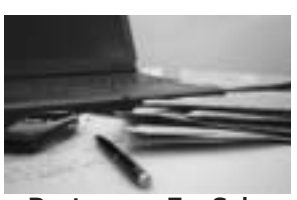
Stock Market Leaders
WWW.OTCML.COM
Finding Tomorrow's Market Leaders Today!
OTCML.COM is an investor based website that tracks the most active OTC stocks on a daily basis.
This is a FREE service!

TRAVEL

SAVE 60% FIRST/BUSINESS
Major Airlines. Corp. Travel
www.cookamerican.travel
(212) 201-1824
Cook American Express Rep.
Travel Services Representative

BUSINESS OPPORTUNITIES

OIL ROYALTY FOR SALE
FSBO oil royalty in OK on a 640 acre tract generating $1,000/mo. income. Two oil wells with room for additional drilling. Major oil company is the oil purchaser. $30,000 firm.
For additional information, please email me at:
oilproperty@yahoo.com



Businesses For Sale.
Advertise in The Mart.
Call (852) 2831-2553,
(65) 6415-4279 or (813) 3292-4151
THE WALL STREET JOURNAL. ASIA
PRINT & ONLINE

MARKETS

AIG analysis illuminates bank talks

'We've given up on concessions,' a New York Fed lawyer said; getting a better deal isn't our job, officials testified

By Serena Ng
And Michael R. Crittenden

Internal documents provided to Congress shed further light on how the Federal Reserve Bank of New York approached its unsuccessful and now controversial negotiations with large U.S. and European banks for concessions in the bailout of **American International Group** Inc.

An analysis put together by a unit of BlackRock Inc., and given to the New York Fed in November 2008, indicated various banks had significant bargaining power with AIG on insurance contracts tied to souring mortgage securities. Without receiving par, or 100 cents on the dollar, for those securities, the parties had little incentive to cancel the contracts, it noted.

BlackRock's analysis, which preceded the regional Fed bank's attempts to extract concessions from AIG's trading partners, also suggested the mortgage securities AIG insured were worth more than what some banks such as **Goldman Sachs Group** Inc. had priced them at in the fall of 2008.

Two days after the date of the presentation, and following the Fed's discussions with banks, a New York Fed lawyer reported in a Nov. 7, 2008, email to colleagues that "the concession negotiations did not go favorably although the notions of tear-ups was greeted warmly." James Bergin, a New York Fed lawyer, also wrote that "we've given up on concessions" and banks would be compensated for the full value of assets they insured with AIG in exchange for canceling contracts written on them.

The 44-page BlackRock presentation was among 250,000 pages of documents submitted last week by the New York Fed to the House Committee on Oversight and Government Reform, which will hold a hearing Wednesday on how and why banks that were AIG's trading partners ended up being paid off in full on $62 billion in souring mortgage derivatives. Critics have argued that the Fed should have forced banks to accept some concessions, or "haircuts."

Timothy Geithner

Thomas Baxter, the general counsel for the New York Fed, recently told congressional investigators that officials felt using their power as a regulatory supervisor to force AIG's counterparties to take less than 100% on the contracts would have been an abuse of authority.

New York Fed officials felt that their power existed to keep institutions safe, not to get a better deal for the government, and requiring firms to take losses would have eroded certainty in a broad array of insurance contracts, further damaging AIG when it was already being propped up by the government.

Treasury Secretary Timothy Geithner, who was president of the New York Fed at the time of the AIG bailout, will testify at Wednesday's hearing, as will Mr. Baxter. Former Treasury Secretary Henry Paulson has also been invited.

Mr. Geithner's role in the decision making is a key question for lawmakers. The documents show that in late October 2008 he was advised by staff that a number of decisions would need to be made quickly and that the government had little "wiggle room." An Oct. 22, 2008, email from New York Fed employee Meg McConnell to Mr. Geithner and another employee expresses some frustration with the regional Fed bank's Washington counterpart.

"Overall, what seemed to be missing in the way Board staff talked with our team...was an appreciation of the fact that without making some combination of all or at least most of these things happen within a very short period of time, the firm will be downgraded and we'll be forced to do way more," Ms. McConnell wrote.

Early November 2008, several days before the U.S. announced a restructuring and expansion of its aid to AIG, BlackRock Solutions, which advised the New York Fed on aspects of the bailout, put together a detailed analysis of a half dozen banks' negotiating positions with regard to their trades with AIG.

The analysis noted that banks including France's **Societe Generale** SA and Merrill Lynch & Co. were able to take advantage of interest rates on AIG's collateral that were lower than available in the public markets. These banks would hence have little incentive to unwind their trades if they weren't paid off for the securities' full, or par value, BlackRock added.

BBC WORLD NEWS is a trademark of the British Broadcasting Corporation. © BBC 1996
asia business report
Asia Business Report.
The only intelligence briefing you'll need for your business day ahead.
Asia Business Report with Rico Hizon.
Now you're ready to do business.
Weekdays, 6:30 a.m., 7:30 a.m., 9:30 a.m., 10:30 a.m., 11:30 a.m. (HK/SIN times)
bbcworldnews.com
Sponsor
Datacraft
BBC WORLD NEWS

Dollar gives up ground after weak housing data

By Fabio Alves

NEW YORK—The dollar gave back most of its earlier advance on the yen Monday after weaker-than-expected economic data revived concerns about the pace of an economic recovery in the U.S.

CURRENCY TRADING

A plunge in U.S. existing-home sales in December prompted investors to migrate to the yen, viewed as the safest currency. The euro's rally overnight against both the dollar and the yen also lost steam.

"The weaker housing market number did cause risk appetite this morning to pare back," said Kathy Lien, a director of currency research at GFT Forex in New York. The weak existing-home sales report "reinforced the tough conditions ahead" for the U.S. economy, she said.

By late Monday morning in New York, the euro was at $1.4137, compared with $1.4139 late Friday. The dollar moved to 90.01 yen from 89.87 yen. The euro strengthened slightly to 127.37 yen from 127.07 yen. The U.K. pound strengthened to $1.6225 from $1.6114. The dollar weakened to 1.0404 Swiss francs from 1.0414 francs.

The partial recovery in the yen was limited by bets that U.S. and Japanese central banks will signal this week that interest rates are likely remain low. "What you're seeing now is a bit of positioning adjustment ahead of" economic events this week, said Michael Hewson, a currency analyst at CMC Markets in London.

Yields rise on Japanese bonds

By Megumi Fujikawa

TOKYO—Japanese government-bond yields rose Monday, as milder-than-expected losses in the stock market encouraged investors to sell bonds that had risen last week.

BOND MARKETS

Government bonds jumped in price on Friday, sending yields lower, as investors sought havens following President Barack Obama's proposal to limit the size of banks and the risks they can take.

"JGB yields are still biased toward the downside, but players are waiting to see whether stock weakness and the yen's appreciation will continue," said Makoto Yamashita, a strategist at Deutsche Securities.

The yield on benchmark 10-year cash government debt is expected to trade in a range from 1.280% to 1.350% this week, Mr. Yamashita said. The yield rose 0.01 percentage point to 1.330% on Monday.

Analysts expect the central bank to stand pat with its super-easy monetary policy this month.

Treasury prices decline ahead of auctions

By Deborah Lynn Blumberg

NEW YORK—Treasury prices were down Monday as traders prepared for the government's latest round of Treasury auctions, a total of $118 billion in short-term notes.

U.S. CREDIT MARKETS

The Treasury Department will sell $44 billion in two-year notes Tuesday, $42 billion in five-year Wednesday and $32 billion in seven-year Treasurys on Thursday. The auctions will coincide with the Federal Reserve's first monetary-policy meeting of the year Tuesday and Wednesday. Investors aren't expecting any major changes in the Fed's thinking, as the economy continues to hobble along. While the Fed could slightly tweak its policy-meeting statement, rates should remain low for a while.

Traders were also continuing to fret about Fed Chairman Ben Bernanke's reconfirmation, even though weekend news reports suggested more senators were moving toward supporting the appointment. Mr. Bernanke's term expires Sunday.

The market responded calmly to the day's key data. Existing-home sales fell 16.7% in December to a 5.45 million annual rate, from 6.54 million in November. Economists had expected an 11.6% decrease.

In late-morning trade, the two-year note was off 1/32 at 100 11/32, for a yield of 0.820%, and the 10-year note was down 5/32, or $1.56 per $1,000 invested, to 98 1/32, yielding 3.615%. The 30-year Treasury was down 12/32 at 97 14/32 to yield 4.532%.

Tuesday afternoon's auction results will be watched, after a recent shift in bidding behavior. Since November, the number of bids in auctions outside of the primary-dealer system, the direct bid, has jumped. The number of direct bids is expected to remain high as investors seek to deploy the cash they have available at the start of the year.

If the trend persists, though, it could become a concern. A rise in direct bidders would make it more difficult for primary dealers—the 18 large banks that trade directly with the Fed and are obligated to bid on U.S. government debt—to gauge interest in auctions. That could cause them to bid less aggressively.

FUND SCORECARD

Hong Kong Equity

funds invest primarily in the equities of Hong Kong companies. funds invest at least 75% of total assets in equities, and invest at least 75% of equity assets in Hong Kong equities. Ranked on % total return (dividends reinvested) in U.S. dollars for one year ending January 25, 2010

Leading 15 Performers

FUND RATING *	FUND NAME	FUND MGM'T CO.	CURR.	LEGAL BASE	% Return in $US ** YTD	1-YR	2-YR	5-YR
3	**EK Hong Kong China**	EK Investment Mgmt Ltd	USD	Cayman Isl	**3.17**	117.55	7.82	8.17
1	**Hang Seng Index Leveraged 150 A**	Hang Seng Investment Management Ltd	HKD	Cayman Isl	**-8.73**	106.21	-7.84	11.10
5	**First State Hong Kong Growth III**	First State Investments (Hong Kong) Ltd	USD	Ireland	**-2.09**	81.99	5.85	18.27
2	**ING MPF MT Basic HK Eq**	ING (HK) Life	HKD	Hong Kong	**2.54**	81.93	-6.41	18.97
2	**ING MPF MT Comp HK Eq**	ING (HK) Life	HKD	Hong Kong	**2.53**	81.38	-6.48	18.84
4	**Schroder ISF Hong Kong Eq A**	Schroder Investment Mgmt (Luxembourg)	HKD	Luxembrg	**-3.71**	80.47	1.27	17.95
4	**Hang Seng HK MidCap Idx A Acc**	Hang Seng Investment Management Ltd	HKD	Cayman Isl	**-3.80**	79.84	2.92	17.68
4	**Sun Life First State MPF Hong Kong Eq A**	Sun Life Hong Kong Limited	HKD	Hong Kong	**-2.26**	78.07	5.05	16.18
5	**Allianz GIC – RCM Hong Kong C**	RCM Asia Pacific Limited	HKD	Hong Kong	**-3.07**	77.48	2.72	17.94
4	**ipac Multi-Manager HK Eq**	AXA China Region Investment Management L	HKD	Hong Kong	**-2.66**	74.74	-1.66	15.44

NOTE: Changes in currency rates will affect performance and rankings.
KEY: ** 2YR and 5YR performance is annualized
NA-not available due to incomplete data;
NS-fund not in existence for entire period

Source: Morningstar, Ltd
1 Oliver's Yard, 55-71 City Road
London EC1Y 1HQ United Kingdom
www.morningstar.co.uk; **Email**: mediaservice@morningstar.com
Phone: +44 (0)203 107 0038; **Fax**: +44 (0)203 107 0001

Advertisement

INTERNATIONAL INVESTMENT FUNDS [Search by company, category or country at asia.WSJ.com/funds]

MORNINGSTAR®

Data as shown is for information purposes only. No offer is being made by Morningstar, Ltd. or this publication. Funds shown aren't registered with the U.S. Securities and Exchange Commission and aren't available for sale to United States citizens and/or residents except as noted. Prices are in local currencies. All performance figures are calculated using the most recent prices available.

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
AHW CAPITAL MANAGEMENT									
Tel (+49) 1805 - 23 82 82									
www.ahw-capital.com									
AHW Top-Div.Int.	GL	EQ	LUX	01/21	EUR	52.14	-4.6	32.2	-25.0
ALLIANCE BERNSTEIN									
www.alliancebernstein.com/investments Tel. +800 2263 8637									
Am Eq Blend A	OT	OT	LUX	01/22	USD	10.09	-2.7	34.4	-10.9
Am Eq Blend B	US	EQ	LUX	01/22	USD	9.47	-2.9	33.0	-11.7
Am Growth A	US	EQ	LUX	01/22	USD	29.95	-4.1	38.1	-1.9
Am Growth AX	US	EQ	LUX	01/22	USD	32.33	-4.1	38.9	-1.3
Am Growth B	US	EQ	LUX	01/22	USD	25.16	-4.2	36.7	-2.9
Am Growth C	US	EQ	LUX	01/22	USD	27.09	-4.1	37.5	-2.3
Am Growth I	US	EQ	LUX	01/22	USD	33.20	-4.1	39.2	-1.1
Am Income A	US	BD	LUX	01/22	USD	8.52	1.1	26.4	5.9
Am Income A2	US	BD	LUX	01/22	USD	19.30	1.4	26.3	5.9
Am Income A2	OT	OT	NA	01/22	HKD	150.00	1.2	NS	NS
Am Income AT	OT	OT	NA	01/15	HKD	66.20	1.2	NS	NS
Am Income AT	US	BD	LUX	01/22	USD	8.53	1.4	26.3	5.9
Am Income B	US	BD	LUX	01/22	USD	8.52	1.1	25.4	5.1
Am Income B2	US	BD	LUX	01/22	USD	16.63	1.3	25.5	5.2
Am Income B2	OT	OT	NA	01/22	HKD	129.25	1.2	NS	NS
Am Income BT	OT	OT	NA	01/22	HKD	66.60	1.2	NS	NS
Am Income BT	US	BD	LUX	01/22	USD	8.57	1.3	25.4	5.2
Am Income C	US	BD	LUX	01/22	USD	8.52	1.1	25.7	5.4
Am Income C2	US	BD	LUX	01/22	USD	24.73	1.4	25.8	5.4
Am Income I	US	BD	LUX	01/22	USD	8.52	1.1	27.1	6.6
Am Value A	US	EQ	LUX	01/22	USD	8.37	-1.9	21.1	-10.5
Am Value B	US	EQ	LUX	01/22	USD	7.70	-1.9	19.9	-11.4
Am Value C	US	EQ	LUX	01/22	USD	8.37	-1.9	20.6	-10.8
Am Value I	US	EQ	LUX	01/22	USD	9.01	-1.9	22.1	-9.7
Emg Mkts Debt A	GL	BD	LUX	01/22	USD	15.58	0.1	43.7	8.2
Emg Mkts Debt A2	GL	BD	LUX	01/22	USD	20.21	0.5	43.8	8.3
Emg Mkts Debt AT	GL	BD	LUX	01/22	USD	15.68	0.5	43.9	8.3
Emg Mkts Debt B	GL	BD	LUX	01/22	USD	15.58	0.1	42.4	7.2
Emg Mkts Debt B2	GL	BD	LUX	01/22	USD	19.45	0.5	42.4	7.2
Emg Mkts Debt BT	GL	BD	LUX	01/22	USD	15.65	0.4	42.4	7.2
Emg Mkts Debt C	GL	BD	LUX	01/22	USD	15.58	0.1	43.1	7.8
Emg Mkts Debt C2	GL	BD	LUX	01/22	USD	19.86	0.5	43.2	7.8
Emg Mkts Debt I	GL	BD	LUX	01/22	USD	15.58	0.1	44.4	8.8
Emg Mkts Growth A	GL	EQ	LUX	01/22	USD	32.84	-5.2	80.5	-9.3
Emg Mkts Growth B	GL	EQ	LUX	01/22	USD	27.82	-5.3	78.8	-10.2
Emg Mkts Growth C	GL	EQ	LUX	01/22	USD	28.46	-5.3	79.8	-9.7
Emg Mkts Growth I	GL	EQ	LUX	01/22	USD	36.43	-5.2	82.1	-8.6
Eur Growth A	OT	OT	LUX	01/22	USD	9.79	-1.6	30.3	-11.8
Eur Growth A	OT	OT	LUX	01/22	EUR	6.92	-1.6	30.3	-11.8
Eur Growth B	OT	OT	LUX	01/22	EUR	6.22	-1.6	29.0	-12.7
Eur Growth B	OT	OT	LUX	01/22	USD	8.80	-1.6	29.0	-12.7
Eur Growth C	EU	EQ	LUX	01/22	EUR	5.24	-1.7	29.7	-12.2
Eur Growth I	OT	OT	LUX	01/22	USD	10.68	-1.6	31.3	-11.1
Eur Growth I	OT	OT	LUX	01/22	EUR	7.55	-1.6	31.3	-11.1
Eur Income A	OT	OT	LUX	01/22	EUR	6.72	1.8	41.1	5.7
Eur Income A	OT	OT	LUX	01/22	USD	9.50	1.8	41.1	5.7
Eur Income A2	OT	OT	LUX	01/22	EUR	13.16	2.3	41.1	5.8
Eur Income A2	OT	OT	LUX	01/22	USD	18.61	2.3	41.1	5.8
Eur Income AT	EU	BD	LUX	01/22	EUR	6.73	2.3	41.1	5.8
Eur Income B	OT	OT	LUX	01/22	EUR	6.72	1.8	40.2	5.0
Eur Income B	OT	OT	LUX	01/22	USD	9.50	1.8	40.2	5.0
Eur Income B2	OT	OT	LUX	01/22	EUR	12.23	2.2	40.1	5.1
Eur Income B2	OT	OT	LUX	01/22	USD	17.29	2.2	40.1	5.1
Eur Income BT	EU	BD	LUX	01/22	EUR	6.73	2.1	39.9	5.0
Eur Income C	OT	OT	LUX	01/22	EUR	6.72	1.8	40.5	5.3
Eur Income C	OT	OT	LUX	01/22	USD	9.50	1.8	40.5	5.3
Eur Income C2	OT	OT	LUX	01/22	EUR	13.11	2.2	40.4	5.4
Eur Income C2	OT	OT	LUX	01/22	USD	18.54	2.2	40.4	5.4
Eur Income I	OT	OT	LUX	01/22	EUR	6.72	1.8	41.8	6.3
Eur Income I	OT	OT	LUX	01/22	USD	9.50	1.8	41.8	6.3
Eur Strat Value A	OT	OT	LUX	01/22	EUR	8.36	-2.0	35.3	-15.9
Eur Strat Value A	OT	OT	LUX	01/22	USD	11.82	-2.0	35.3	-15.9
Eur Strat Value I	OT	OT	LUX	01/22	EUR	8.56	-2.1	36.3	-15.2
Eur Strat Value I	OT	OT	LUX	01/22	USD	12.10	-2.1	36.3	-15.2
Eur Value A	OT	OT	LUX	01/22	EUR	9.00	-2.2	39.8	-13.0
Eur Value A	OT	OT	LUX	01/22	USD	12.73	-2.2	39.8	-13.0
Eur Value B	OT	OT	LUX	01/22	USD	11.69	-2.2	38.3	-13.9
Eur Value B	OT	OT	LUX	01/22	EUR	8.27	-2.2	38.3	-13.9
Eur Value C	OT	OT	LUX	01/22	USD	12.30	-2.1	39.0	-13.4
Eur Value C	OT	OT	LUX	01/22	EUR	8.70	-2.1	39.0	-13.4
Eur Value I	OT	OT	LUX	01/22	USD	14.71	-2.1	40.9	-12.3
Eur Value I	OT	OT	LUX	01/22	EUR	10.40	-2.1	40.9	-12.3
Gl Balanced (Euro) A	OT	OT	LUX	01/22	USD	16.04	-1.1	25.3	-8.5
Gl Balanced (Euro) B	OT	OT	LUX	01/22	USD	15.61	-1.2	24.0	-9.4
Gl Balanced (Euro) C	OT	OT	LUX	01/22	USD	15.91	-1.1	25.0	-8.8
Gl Balanced (Euro) I	OT	OT	LUX	01/22	USD	16.33	-1.1	NS	NS
Gl Balanced A	US	BA	LUX	01/22	USD	16.22	-1.6	30.6	-8.2
Gl Balanced B	US	BA	LUX	01/22	USD	15.41	-1.7	29.3	-9.1
Gl Balanced C	OT	OT	LUX	01/22	USD	15.97	-1.7	30.2	-8.5
Gl Balanced C	OT	OT	LUX	01/22	EUR	11.29	-1.7	30.2	-8.5
Gl Balanced I	US	BA	LUX	01/22	USD	16.83	-1.5	31.5	-7.5
Gl Bond A	US	BD	LUX	01/22	USD	9.36	1.3	15.2	4.5
Gl Bond A2	US	BD	LUX	01/22	USD	16.25	1.5	15.0	4.5
Gl Bond A2	OT	OT	NA	01/22	HKD	126.29	1.5	15.0	4.5
Gl Bond AT	OT	OT	LUX	01/22	HKD	72.74	1.5	15.1	4.5
Gl Bond AT	US	BD	LUX	01/22	USD	9.36	1.5	15.1	4.5
Gl Bond B	US	BD	LUX	01/22	USD	9.36	1.3	14.1	3.5
Gl Bond B2	US	BD	LUX	01/22	USD	14.23	1.5	13.9	3.5
Gl Bond B2	OT	OT	NA	01/22	HKD	110.59	1.5	13.9	3.5
Gl Bond BT	OT	OT	LUX	01/22	HKD	73.05	1.5	14.0	3.5
Gl Bond BT	US	BD	LUX	01/22	USD	9.40	1.5	14.0	3.5
Gl Bond C	US	BD	LUX	01/22	USD	9.36	1.3	14.7	4.1
Gl Bond C2	US	BD	LUX	01/22	USD	14.10	1.5	14.5	4.0
Gl Bond I	US	BD	LUX	01/22	USD	9.36	1.3	15.8	5.1
Gl Conservative A	US	BA	LUX	01/22	USD	14.83	-0.3	19.7	-2.8
Gl Conservative A2	US	BA	LUX	01/22	USD	16.89	-0.2	19.8	-2.8
Gl Conservative B	US	BA	LUX	01/22	USD	14.81	-0.3	18.5	-3.8
Gl Conservative B2	US	BA	LUX	01/22	USD	16.03	-0.4	18.5	-3.8
Gl Conservative C	US	BA	LUX	01/22	USD	14.82	-0.3	19.2	-3.2
Gl Conservative C2	US	BA	LUX	01/22	USD	16.51	-0.3	19.2	-3.3
Gl Conservative I	US	BA	LUX	01/22	USD	14.91	-0.2	20.8	-2.0
Gl Eq Blend A	GL	EQ	LUX	01/22	USD	11.23	-3.7	40.4	-17.3
Gl Eq Blend B	GL	EQ	LUX	01/22	USD	10.54	-3.7	39.1	-18.1
Gl Eq Blend C	GL	EQ	LUX	01/22	USD	11.03	-3.8	39.8	-17.7
Gl Eq Blend I	GL	EQ	LUX	01/22	USD	11.86	-3.6	41.5	-16.6
Gl Growth A	GL	EQ	LUX	01/22	USD	40.20	-4.1	36.0	-18.3
Gl Growth B	GL	EQ	LUX	01/22	USD	33.53	-4.1	34.6	-19.1
Gl Growth C	GL	EQ	LUX	01/22	USD	38.56	-4.1	35.4	-18.6
Gl Growth I	GL	EQ	LUX	01/22	USD	44.66	-4.0	37.1	-17.6
Gl High Yield A	US	BD	LUX	01/22	USD	4.39	1.4	59.6	6.6
Gl High Yield A2	US	BD	LUX	01/22	USD	9.44	1.9	59.5	6.6
Gl High Yield A2	OT	OT	NA	01/22	HKD	73.37	1.9	59.5	6.6
Gl High Yield AT	OT	OT	NA	01/22	HKD	33.96	2.1	59.4	6.6
Gl High Yield AT	US	BD	LUX	01/22	USD	4.37	2.1	59.4	6.6
Gl High Yield B	US	BD	LUX	01/22	USD	4.39	1.4	57.6	5.3
Gl High Yield B2	US	BD	LUX	01/22	USD	15.17	1.9	57.9	5.5
Gl High Yield B2	OT	OT	NA	01/22	HKD	117.90	1.9	57.9	5.5
Gl High Yield BT	OT	OT	NA	01/22	HKD	34.51	1.8	57.8	5.5
Gl High Yield BT	US	BD	LUX	01/22	USD	4.44	1.8	57.8	5.5
Gl High Yield C	US	BD	LUX	01/22	USD	4.39	1.4	58.7	6.0
Gl High Yield C2	US	BD	LUX	01/22	USD	14.00	2.0	58.9	6.1
Gl High Yield I	US	BD	LUX	01/22	USD	4.39	1.4	60.7	7.3
Gl Thematic Res. A	OT	OT	LUX	01/22	USD	14.16	-3.9	74.0	2.7
Gl Thematic Res. B	OT	OT	LUX	01/22	USD	12.38	-4.0	72.2	1.7
Gl Thematic Res. I	OT	OT	LUX	01/22	USD	15.79	-3.9	75.2	3.5
Gl Value A	GL	EQ	LUX	01/22	USD	10.78	-3.2	45.1	-16.3
Gl Value B	GL	EQ	LUX	01/22	USD	9.90	-3.3	43.7	-17.2
Gl Value C	GL	EQ	LUX	01/22	USD	10.47	-3.3	44.4	-16.8
Gl Value I	GL	EQ	LUX	01/22	USD	11.47	-3.2	46.3	-15.7
Greater China A	AS	EQ	LUX	01/22	USD	37.53	-6.2	63.7	-10.7
Greater China B	AS	EQ	LUX	01/22	USD	33.19	-6.3	62.1	-11.6
Greater China C	AS	EQ	LUX	01/22	USD	37.05	-6.3	63.0	-11.1
India Growth A	OT	OT	LUX	01/22	USD	124.72	-1.7	NS	NS
India Growth AX	OT	OT	LUX	01/22	USD	109.04	-1.7	90.9	-8.2
India Growth B	OT	OT	LUX	01/22	USD	130.56	-1.8	NS	NS
India Growth BX	OT	OT	LUX	01/22	USD	93.14	-1.8	89.0	-9.1
India Growth I	EA	EQ	LUX	01/22	USD	113.03	-1.7	91.7	-7.9
Int'l Health Care A	OT	EQ	LUX	01/22	USD	138.66	0.9	20.3	-5.8
Int'l Health Care B	OT	EQ	LUX	01/22	USD	116.88	0.8	19.1	-6.7
Int'l Health Care C	OT	EQ	LUX	01/22	USD	132.85	0.8	19.7	-6.2
Int'l Health Care I	OT	EQ	LUX	01/22	USD	151.58	0.9	21.2	-5.0
Int'l Technology A	OT	EQ	LUX	01/22	USD	104.63	-5.2	52.0	-6.1
Int'l Technology B	OT	EQ	LUX	01/22	USD	90.60	-5.3	50.5	-7.1
Int'l Technology C	OT	EQ	LUX	01/22	USD	101.08	-5.2	51.3	-6.5
Int'l Technology I	OT	EQ	LUX	01/22	USD	117.38	-5.1	53.3	-5.4
Japan Eq Blend A	JP	EQ	LUX	01/22	JPY	6222.00	3.3	30.4	-14.4
Japan Eq Blend B	JP	EQ	LUX	01/22	JPY	6000.00	3.2	29.1	-15.3
Japan Eq Blend C	JP	EQ	LUX	01/22	JPY	6120.00	3.3	29.8	-14.8
Japan Growth A	JP	EQ	LUX	01/22	JPY	5962.00	1.5	20.3	-15.5
Japan Growth B	JP	EQ	LUX	01/22	JPY	5749.00	1.4	19.1	-16.3
Japan Growth C	JP	EQ	LUX	01/22	JPY	5865.00	1.5	19.8	-15.8
Japan Strat Value A	JP	EQ	LUX	01/22	JPY	6419.00	4.9	40.3	-13.9
Japan Strat Value B	JP	EQ	LUX	01/22	JPY	6196.00	4.8	38.9	-14.7
Japan Strat Value C	JP	EQ	LUX	01/22	JPY	6310.00	4.9	39.6	-14.3
Real Estate Sec. A	OT	EQ	LUX	01/22	USD	13.74	-4.3	48.2	-12.0
Real Estate Sec. B	OT	EQ	LUX	01/22	USD	12.55	-4.3	46.8	-12.9
Real Estate Sec. I	OT	EQ	LUX	01/22	USD	14.78	-4.2	49.4	-11.3
Short Mat Dollar A	US	BD	LUX	01/22	USD	7.31	0.6	11.9	-5.3
Short Mat Dollar A2	US	BD	LUX	01/22	USD	9.87	0.8	11.8	-5.4
Short Mat Dollar AT	US	BD	LUX	01/22	USD	7.31	0.8	11.9	-5.4
Short Mat Dollar B	US	BD	LUX	01/22	USD	7.31	0.6	11.4	-5.8
Short Mat Dollar B2	US	BD	LUX	01/22	USD	9.82	0.8	11.2	-5.8
Short Mat Dollar BT	OT	OT	LUX	01/22	USD	7.33	0.8	NS	-6.0
Short Mat Dollar C	US	BD	LUX	01/22	USD	7.31	0.6	11.4	-5.8
Short Mat Dollar C2	US	BD	LUX	01/22	USD	13.89	0.9	11.3	-5.8
Short Mat Dollar I	US	BD	LUX	01/22	USD	7.31	0.6	12.5	-4.8

Advertisement

[ALTERNATIVE INVESTMENT FUNDS www.WSJ.com] Advertisement

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
ALEXANDRA INVESTMENT MANAGEMENT									
Tel: +1 212 301 1800 Fax: +1 212 301 1810									
Alexandra Convertible Bond Fund I, Ltd. (Class A)	OT	OT	VGB	11/30	USD	1616.75	66.9	72.1	NS
CREDIT PACIFIC ASSET MANAGMENT									
www.creditpacific.com									
CPS-Master Priv Fund	GL	OT	WSM	01/21	USD	100.77	0.8	22.5	21.1
PLATINUM CAPITAL MANAGEMENT									
Tel: +44 207 024 9840, www.platinumfunds.net									
Platinm-All Star	OT	OT	CYM	10/30	USD	95.07	13.2	5.7	-13.4
Platinm-All Weather	OT	OT	USA	10/31	USD	129.92	2.4	3.2	3.8
Platinm-Dynasty	OT	OT	USA	11/30	USD	113.20	10.2	10.7	-29.6
Platinm-Emancipation	OT	OT	USA	11/30	USD	90.86	21.4	24.1	-9.4
Platinm-Equity Plus	OT	OT	USA	05/29	USD	35.02	-18.2	-63.7	-45.6
Platinm-Gbl Dividend	OT	OT	CYM	10/30	USD	60.64	29.4	15.3	-31.8
Platinm-Nordic	OT	OT	CYM	10/30	SEK	607.79	11.4	9.7	-18.3
Platinm-Premier	OT	OT	CYM	12/31	USD	21.20	-55.9	-66.0	-44.3
Platinm-Turnberry	OT	OT	USA	11/30	USD	57.51	NS	NS	-33.7
SUPERFUND ASSET MANAGEMENT GMBH									
For info about open funds, contact info@superfund.com and www.superfund.com									
Closed for New Investments									
Superfund Cayman*	OT	OT	CYM	01/19	USD	44.27	8.6	-47.4	-3.7
Superfund GCT USD*	GL	EQ	LUX	01/19	USD	2393.00	9.0	-34.9	-0.6
Superfund Green Gold A (SPC)	OT	OT	CYM	01/19	USD	1046.18	8.5	-3.9	5.4
Superfund Green Gold B (SPC)	OT	OT	CYM	01/19	USD	1035.58	10.7	-18.2	2.2
Superfund Q-AG*	OT	OT	AUT	01/19	EUR	6928.00	4.6	NS	3.5
WINTON CAPITAL MANAGEMENT LTD									
Tel: +44 (0)20 7610 5350 Fax: +44 (0)20 7610 5301									
Winton Evolution EUR Cls H	OT	OT	CYM	12/31	EUR	945.08	NS	NS	NS
Winton Evolution GBP Cls G	OT	OT	CYM	12/31	GBP	949.08	NS	NS	NS
Winton Evolution USD Cls F	OT	OT	CYM	12/31	USD	1199.12	-5.4	-5.4	2.0
Winton Futures EUR Cls C	OT	OT	VGB	12/31	EUR	196.82	-4.4	-4.4	7.7
Winton Futures GBP Cls D	OT	OT	VGB	12/31	GBP	212.85	-4.1	-4.1	8.7
Winton Futures JPY Cls E	OT	OT	VGB	12/31	JPY	13885.82	-5.9	-5.9	5.0
Winton Futures USD Cls B	OT	OT	VGB	12/31	USD	699.39	-4.6	-4.6	7.4

For information about listing your funds, please contact: Carson Wong tel: +852 2831-6481; email: carson.wong@dowjones.com

MARKETS

Bargains draw investors back to U.S. equities

By Kristina Peterson And Donna Kardos Yesalavich

U.S. stocks rose slightly, as investors took advantage of newly cheaper stock prices following last week's battering, but kept their distance from the financial sector.

ABREAST OF THE MARKET

The Dow Jones Industrial Average was up 59.1 points, or 0.6%, to 10232.08 at midday in New York. Tech companies **Intel** and **Hewlett-Packard** bolstered the Dow, with H-P up 1.7% and Intel up 1.6%.

American Express was the measure's worst performer, with the credit-card issuer down 2.8%, extending last week's losses. Also weighing on the Dow, **Kraft Foods** fell 0.8%, after Italian confectioner Ferrero on Monday formally ruled out launching a rival bid for **Cadbury** PLC, paving the way for Kraft to complete its buyout of the U.K. company.

The Standard & Poor's 500-share index was up 0.6%, led by its materials and telecommunications sectors. Financial companies dragged on the measure, as investors digested the bank regulations unveiled last week by President Barack Obama. The tech-heavy Nasdaq Composite was up 0.1%.

The gains followed a three-day streak of triple-digit losses as some investors embraced lower stock prices as a buying opportunity.

"A little bit of a pull-back gives people an opportunity," said Gary Flam, portfolio manager at Bel Air Investment Advisors. "None of the news from last week I saw as derailing to the economy or markets," he said.

In other markets, the price of oil edged up, and gold futures rose.

Among companies releasing earnings Monday, oilfield-services provider **Halliburton** reported fourth-quarter earnings of 27 cents a share, in line with analysts' expectations. Its fourth-quarter profit fell 48%, as international activity declined. Halliburton was down 1.5%.

Materials stocks got a lift after steelmaker **AK Steel Holding** swung to a fourth-quarter profit as the company saw shipments jump. AK Steel was up 4.8%.

European markets

In European trading, stocks were mostly lower Monday, but not by as much as expected, as earnings news from the technology sector added to concerns about President Obama's banking proposals, which sent stocks plummeting Friday.

The pan-European Stoxx 600 index closed down 0.7% at 248.29. London's FTSE 100 was down 0.8% at 52960.31 and Paris's CAC-40 fell 1% to 3781.85. Frankfurt's DAX declined 1.1% to 5631.37.

Technology stocks were among the worst performing after mixed earnings news. Sweden's **Telefon AB L.M. Ericsson** fell 2.6% in Stockholm to after reporting that its fourth-quarter net profit declined on higher restructuring costs.

EON suggests firm is open to rival offers

By K.P. Lee

KUALA LUMPUR—**EON Capital** Bhd. said the 4.92 billion ringgit ($1.45 billion) buyout offer by **Hong Leong Bank** Bhd. "significantly undervalues" the company and suggested it could be open to rival bids.

"The board is evaluating this approach, but on the face of it the offer price significantly undervalues EON Capital," Chairman Syed Anwar Jamalullail said in a statement Monday. EON Capital is the holding company of **EON Bank**, Malaysia's seventh-largest lender by assets.

Last week, Hong Leong Bank, the sixth-largest lender, offered to acquire the assets and liabilities of EON Capital for 7.10 ringgit a share in a bid to create the country's fourth-largest banking group.

"In evaluating the Hong Leong Bank offer, we will consider all alternatives open to us in order to fulfill our responsibility to shareholders," Mr. Syed Anwar said.

Analysts had said the pricing for the shares at 1.4 times price-to-book ratio was at the lower end of market expectations of between 1.4 times and 1.6 times. Previous transactions for takeovers of midsize banks were in the region of 1.4 to 1.8.

EON Capital's shares ended Monday 0.4% lower at 6.99 ringgit.

No rival bids have emerged, but EON Capital previously had said it was seeking the Malaysian central bank's approval for stake talks with other interested parties.

Financials, metals lead losses in Asia markets

By Philip Vahn And Wei-Zhe Tan

Asian banking and metals stocks fell Monday, leading regional indexes lower, after Friday's hefty losses on Wall Street added to worries about monetary tightening in China and proposals for new U.S. bank restrictions from the Obama administration.

ASIAN-PACIFIC STOCKS

Bank of China declined on the company's plans to raise as much as tens of billions of dollars in capital with a sale of shares and convertible bonds. Other lenders listed in Shanghai also fell on concerns more banks would announce fund-raising plans. Bank of China dropped 2.1% in Hong Kong and 0.5% in Shanghai. **China Construction Bank** dropped 1.8% in Shanghai and 1.1% in Hong Kong, while **Industrial & Commercial Bank of China** slipped 1% in Shanghai and 0.7% in Hong Kong.

Commodity shares lost ground on recent declines in base-metal prices and as crude oil stayed below $75 a barrel. In Hong Kong, **Cnooc** dropped 1% and **Aluminum Corp. of China** shed 2%, while **PetroChina** dropped 1% in Shanghai. **Japan Petroleum Exploration** lost 1% and **Pacific Metals** fell 2.7% in Tokyo; **BHP Billiton** declined 1.1% in Sydney.

Still, it wasn't all doom and gloom, with some markets coming off their early lows.

In Tokyo, the Nikkei Stock Average of 225 companies fell 0.7% to 10512.69. Real-estate and insurance stocks were weak. **Mitsui Fudosan** lost 1.8% and **Mitsubishi Estate** declined 2.2%. Major insurer **Tokio Marine Holdings** fell 1.8%, while **Mitsui Sumitomo Insurance Group Holdings** dropped 2.2%.

Some exporters gained as the dollar held above 90 yen, with **Elpida Memory** rising 1.8%.

In Shanghai, the composite index dropped 1.1% to 3094.41, led by the decline in banking and resource shares. Stocks were also hurt by concerns about a glut of new shares from planned initial public offerings, analysts said. Seven companies will start building their IPO books this week, including **China First Heavy Industries**.

Steelmakers were among the day's biggest decliners on overcapacity concerns. **Hebei Iron & Steel**, previously known as Tangshan Iron & Steel, tumbled 12% after a five-week trading halt. Hebei Iron ranks second in China's steel industry by output after **Baoshan Iron & Steel**, which declined 2.3%. **Wuhan Iron & Steel** fell 1.4%.

In Hong Kong, the Hang Seng Index fell 0.6% to 20598.55, its ninth loss in 10 sessions. Heavyweight **HSBC Holdings** dropped 1.6%, tracking weakness in U.S. banks.

In Seoul, the Kospi declined 0.8% to 1670.20. But electronics and auto shares were higher thanks to the won's recent weakness. **Hyundai Motor** rose 1.4% and **Samsung Electronics** gained 2.1%.

[Search by company, category or country at asia.WSJ.com/funds] INTERNATIONAL INVESTMENT FUNDS Advertisement

Allianz Global Investors

■ ALLIANZ GLOBAL INVESTORS KAPITALANLAGEGESELLSCHAFT

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
Concentra AE	EU	EQ	DEU	01/25	EUR	49.83	-4.5	48.5	-7.7
Industria AE	EU	EQ	DEU	01/25	EUR	71.34	-0.3	41.9	-12.2
InternRent AE	EU	BD	DEU	01/25	EUR	36.30	3.1	-0.2	9.9

■ CHARTERED ASSET MANAGEMENT PTE LTD - TEL NO: 65-6835-8866

Fax No: 65-6835 8865, Website: www.cam.com.sg, Email: cam@cam.com.sg

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
CAM-GTF Limited	AS	EQ	MUS	01/15	USD	286509.90	4.4	107.0	5.9

GAM

■ GAM FUND MANAGEMENT LIMITED

George's Court, 54-62 Townsend Street, Dublin 2, Ireland

Tel +353 1 609 3927 Fax +353 1 611 7941, Internet: www.gam.com

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
GAM Arbitrage Op	OT	OT	VGB	01/15	USD	1260.72	1.4	22.4	-7.5
GAM Asia Eq Hdg JPY Op	GL	EQ	VGB	01/18	JPY	16277.25	4.8	82.9	8.1
GAM Asia Equity Hedge US	OT	OT	VGB	01/18	USD	302.56	4.2	80.2	5.5
GAM Asia Equity USD	OT	OT	VGB	01/22	USD	631.22	-3.5	74.3	-5.4
GAM Asia-Pacific Eq USD	OT	OT	VGB	01/19	USD	1349.82	5.2	32.1	-11.7
GAM Com Glb Bal EUR Op	US	BA	VGB	01/18	EUR	96.46	2.2	18.0	-6.8
GAM Com Glb Bal USD Op	US	BA	VGB	01/18	USD	130.62	2.2	18.0	-6.8
GAM Comp Glb Eq EUR Op	GL	EQ	VGB	01/18	EUR	99.65	2.9	27.5	-12.4
GAM Comp Glb Eq USD Op	GL	EQ	VGB	01/18	USD	131.18	2.9	27.5	-12.4
GAM Comp Glb Gr EUR Op	US	BA	VGB	01/18	EUR	87.30	2.2	19.7	-10.3
GAM Comp Glb Gr USD Op	US	BA	VGB	01/18	USD	129.91	2.2	19.7	-10.3
GAM CompAbsRT EUR Op	OT	OT	VGB	09/30	EUR	141.71	9.1	0.1	-6.9
GAM CompAbsRT SGD Op	OT	OT	VGB	09/30	SGD	102.21	9.2	-0.1	-8.3
GAM CompAbsRT USD Op	OT	OT	VGB	09/30	USD	845.66	9.5	0.7	-7.0
GAM Cptal Apprec Eq Inc	US	EQ	VGB	01/15	USD	250.49	0.7	36.6	-8.7
GAM Cross Trading Inc	OT	OT	VGB	01/18	USD	466.75	0.2	NS	NS
GAM Diversity CHF Op	OT	OT	VGB	01/18	CHF	94.64	0.3	3.8	-6.6
GAM Diversity EUR Op	OT	OT	VGB	01/18	EUR	651.02	0.4	4.6	-5.0
GAM Diversity USD 2.5XL	OT	OT	VGB	01/18	USD	78.96	0.9	8.4	NS
GAM Diversity USD Op	OT	OT	VGB	01/18	USD	683.63	0.4	NS	NS
GAM Dvrsty II CHF Op	OT	OT	VGB	01/18	CHF	99.76	0.3	NS	NS
GAM Dvrsty II EUR Op	OT	OT	VGB	01/18	EUR	139.17	0.3	4.1	-5.1
GAM Dvrsty II USD Op	OT	OT	VGB	01/18	USD	210.79	0.3	NS	-5.4
GAM DvrstyIII EUR Op	OT	OT	VGB	01/18	EUR	115.90	0.3	4.1	-5.3
GAM DvrstyIII USD Op	OT	OT	VGB	01/18	USD	122.35	0.3	4.2	-5.4
GAM Euro Eq Hdg EUR Op	EU	EQ	VGB	01/18	EUR	221.34	1.2	10.8	-3.1
GAM Euro Eq Hdg USD Op	OT	OT	VGB	01/18	USD	205.57	1.1	11.6	-1.5
GAM European Equity USD	OT	OT	VGB	01/21	USD	286.69	-2.2	40.3	-7.8
GAM GAMCO	OT	EQ	VGB	01/19	USD	835.19	3.0	46.0	-6.5
GAM Gb EmMkts Hdg EUROp	OT	OT	VGB	01/18	EUR	98.42	0.6	14.2	-16.8
GAM Gb EmMkts Hdg USDOp	OT	OT	VGB	01/18	USD	103.80	0.6	14.8	-16.1
GAM Gbl Divers USD Inc.	GL	EQ	VGB	01/18	USD	261.83	4.8	28.4	-4.9
GAM Grtr China Eq Hdg Op	GL	EQ	VGB	01/18	USD	299.67	4.5	120.9	24.0
GAM Intrst Trend II	GL	BD	VGB	01/18	USD	101.98	8.3	50.3	-5.9
GAM Intrst Trend Inc	OT	OT	VGB	01/18	USD	272.16	8.2	62.5	-3.5
GAM Japan Eq Hdg EUR Op	AS	EQ	VGB	01/18	EUR	127.11	8.9	13.8	-1.2
GAM Japan Eq Hdg USD Op	OT	OT	VGB	01/18	USD	132.25	8.4	NS	NS
GAM Japan Eq Hdg YEN Open	AS	EQ	VGB	01/18	JPY	9104.39	8.3	17.9	-13.0
GAM Japan USD	JP	EQ	VGB	01/22	USD	1183.23	7.3	22.4	-7.0
GAM Japan YEN	JP	EQ	VGB	01/22	JPY	9335.03	5.8	26.7	-12.9
GAM Money Mkt EuroOp	EU	MM	VGB	01/21	EUR	51.15	0.1	0.2	1.6
GAM Money Mkt USD	US	MM	VGB	01/21	USD	100.00	0.1	0.0	0.7
GAM Multi-Arb EUR Op	OT	OT	VGB	01/18	EUR	112.02	0.7	-0.1	-9.0
GAM Multi-Arb USD Op	OT	OT	VGB	01/18	USD	116.95	0.8	0.1	-9.3
GAM Multi-China EUR Op	OT	OT	VGB	01/18	EUR	170.82	1.7	14.5	-5.4
GAM Multi-China USD Op	OT	OT	VGB	01/18	USD	179.57	1.7	15.1	-6.2
GAM Multi-Emer Mkts GBP	OT	OT	VGB	01/18	GBP	133.88	1.8	26.2	-1.2
GAM Multi-Emer Mkts USD	OT	OT	VGB	01/18	USD	662.56	1.8	26.2	-1.6
GAM Multi-Eur EUR Op	OT	OT	VGB	01/18	EUR	271.20	0.9	7.7	-8.1
GAM Multi-Eur II EUR Op	OT	OT	VGB	01/18	EUR	139.54	0.9	7.6	-8.2
GAM Multi-Eur II USD Op	OT	OT	VGB	01/18	USD	114.03	0.8	7.2	-9.2
GAM Multi-Eur USD Op	OT	OT	VGB	01/18	USD	471.70	0.9	7.3	-9.1
GAM Multi-Nth Am EUR Special	OT	OT	VGB	01/18	EUR	134.47	0.4	NS	NS
GAM Multi-Nth Am USD Special	OT	OT	VGB	01/18	USD	218.87	0.3	11.6	NS
GAM Multi-Pac EUR Op	GL	EQ	VGB	01/18	EUR	145.11	1.2	6.5	-3.3
GAM Multi-Pac USD Op	OT	OT	VGB	01/18	USD	167.38	1.2	6.5	-3.7
GAM Portable Dvr/S&P500	OT	OT	VGB	08/24	USD	70.11	17.7	-27.7	-22.9
GAM Selection Hdg	US	EQ	VGB	01/15	USD	2721.43	3.2	66.0	10.8
GAM Sing/Malaysia	AS	EQ	VGB	01/22	USD	2497.82	-1.1	61.5	-4.9
GAM Sterling Spe Bd Inc	OT	OT	VGB	01/18	GBP	238.01	3.5	39.8	4.6
GAM Trading EUR Inc	OT	OT	VGB	01/18	EUR	325.76	0.2	5.2	5.6
GAM Trading USD Inc	OT	OT	VGB	01/18	USD	974.91	0.2	5.4	4.9
GAM Trdg II IncEUR Op	OT	OT	VGB	01/18	EUR	139.32	0.2	5.1	5.5
GAM Trdg II IncUSD Op	OT	OT	VGB	01/18	USD	316.56	0.2	5.4	4.9
GAM Trdg IV IncEUR Op	OT	OT	VGB	01/18	EUR	147.04	0.2	4.9	5.2
GAM Trdg IV IncUSD Op	OT	OT	VGB	01/18	USD	154.82	0.2	5.2	4.8
GAM Trdg V IncEUR Op	OT	OT	VGB	01/18	EUR	124.70	0.2	4.9	5.1
GAM Trdg V IncUSD Op	OT	OT	VGB	01/18	USD	129.84	0.2	5.1	4.8
GAM TrdgIII IncEUR Op	OT	OT	VGB	01/18	EUR	157.33	0.2	5.1	5.3
GAM TrdgIII IncUSD Op	OT	OT	VGB	01/18	USD	162.82	0.2	5.2	4.8
GAM USDSpecBondInc	US	BD	VGB	01/18	USD	557.68	5.2	70.5	9.0
GAM Worldwide	GL	EQ	VGB	01/21	USD	2192.03	-1.5	39.8	-5.7
GAMut Investments	OT	OT	VGB	01/20	USD	7685.65	1.4	4.4	8.8

■ GAM Star Fund Plc

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
GAMStar-AsEqCHF Ord Ac	AS	EQ	IRL	01/21	CHF	10.96	-0.7	59.1	-10.5
GAMStar-AsEqEUR Ord Ac	AS	EQ	IRL	01/21	EUR	11.95	0.3	65.6	-5.7
GAMStar-AsEqGBP Ord Ac	AS	EQ	IRL	01/21	GBP	1.54	-1.5	54.3	2.1
GAMStar-AsEqUSD Ord Ac	AS	EQ	IRL	01/21	USD	13.23	-1.4	79.2	-6.6
GAMStar-AsPacEqEUR Acc	AS	EQ	IRL	01/22	EUR	105.29	4.1	25.1	-4.5
GAMStar-AsPacEqEUR Inc	AS	EQ	IRL	01/22	EUR	101.90	4.1	25.2	-4.5
GAMStar-ContEurEqEUR Ac	EU	EQ	IRL	01/21	EUR	10.89	-1.0	31.0	-4.4
GAMStar-EurpEqEUR Acc	EU	EQ	IRL	01/21	EUR	182.21	-0.5	31.9	-6.9
GAMStar-EurpEqEUR Inc	EU	EQ	IRL	01/21	EUR	166.49	-0.5	31.8	-6.9
GAMStar-EurpEqUSD Acc	EU	EQ	IRL	01/21	USD	15.65	-2.1	42.5	-7.7
GAMStar-EurpEqUSD Inc	EU	EQ	IRL	01/21	USD	14.19	-2.1	42.4	-7.7
GAMStar-FrontierOppUSD Acc	GL	EQ	IRL	01/21	USD	5.48	-0.1	47.1	NS
GAMStar-JpnEq EUR Acc	JP	EQ	IRL	01/21	EUR	96.82	10.1	21.6	-6.3
GAMStar-JpnEq EUR Inc	JP	EQ	IRL	01/21	EUR	96.82	10.1	21.6	-6.3
GAMStar-JpnEq JPY Acc	JP	EQ	IRL	01/21	JPY	990.03	7.5	30.3	-14.9
GAMStar-JpnEq USD Acc	JP	EQ	IRL	01/21	USD	12.10	8.9	25.5	-9.7
GAMStar-World EqUSD Acc	GL	EQ	IRL	01/21	USD	2205.80	-1.4	40.7	-5.2

Manulife Wealth Management 宏利財富管理

■ MANULIFE ASSET MANAGEMENT TEL:(852)2108 1110

Internet:http://www.manulife.com.hk 47/F Manulife Plaza, Causeway Bay, Hong Kong

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
American Growth	US	EQ	LUX	01/25	USD	14.79	-3.2	30.1	-10.1
American Growth AA	US	EQ	LUX	01/25	USD	0.85	-3.2	29.8	-7.7
Asian Equity	AS	EQ	LUX	01/25	USD	2.36	-3.7	74.9	-7.7
Asian Equity AA	AS	EQ	LUX	01/25	USD	0.76	-3.7	74.3	-8.0
Asian Sm Cap Equity AA	AS	EQ	LUX	01/25	USD	1.14	-1.1	99.1	-2.7
China Value A	AS	EQ	LUX	01/25	USD	6.74	-5.3	68.8	-4.3
China Value AA	AS	EQ	LUX	01/25	USD	2.12	-5.3	68.4	-4.5
Dragon Growth	AS	EQ	LUX	01/25	USD	1.56	-5.2	71.0	-8.2
Dragon Growth AA	OT	OT	LUX	01/25	HKD	7.59	-5.0	70.8	-9.1
Emg Eastrn Europe A	EU	EQ	LUX	01/25	USD	4.75	3.0	137.9	-13.2
Emg Eastrn Europe AA	EU	EQ	LUX	01/25	USD	2.05	3.0	137.5	-13.4
European Growth	EU	EQ	LUX	01/25	USD	8.98	-2.0	73.2	-14.7
European Growth AA	EU	EQ	LUX	01/25	USD	0.64	-2.0	72.8	-14.9
Global Contrarain AA	GL	EQ	LUX	01/25	USD	0.90	1.6	102.5	NS
Global Property AA	OT	EQ	LUX	01/25	USD	0.66	-2.8	60.9	-12.4
Global Resources AA	OT	EQ	LUX	01/25	USD	1.05	-3.1	56.3	-11.7
Healthcare AA	OT	EQ	LUX	01/25	USD	0.94	-0.4	16.8	NS
India Equity AA	EA	EQ	LUX	01/25	USD	1.07	-2.7	92.4	-15.7
International Growth	GL	EQ	LUX	01/25	USD	3.00	-1.5	33.7	-12.8
International Growth AA	GL	EQ	LUX	01/25	USD	0.70	-1.5	33.3	-13.0
Japanese Growth	JP	EQ	LUX	01/25	USD	2.87	4.1	21.3	-9.5
Japanese Growth AA	JP	EQ	LUX	01/25	USD	0.75	4.1	21.0	-9.7
Latin America Equity AA	GL	EQ	LUX	01/25	USD	1.21	-6.1	99.6	-2.1
Manulife GF Strategic Income Fund AA	OT	OT	NA	01/25	USD	1.01	0.5	NS	NS
MGF Asia Value Dividend Equity Fund	OT	OT	Lux	01/25	USD	1.13	-0.7	NS	NS
Russia Equity AA	EE	EQ	LUX	01/25	USD	0.67	7.8	187.2	-17.6
Taiwan Equity AA	AS	EQ	LUX	01/25	USD	1.03	-5.0	95.2	4.0
Turkey Equity AA	EE	EQ	LUX	01/25	USD	0.80	3.9	155.2	-3.2
U.S. Bond AA	US	BD	LUX	01/25	USD	1.13	1.9	19.4	7.6
U.S. Sm Cap Equity AA	US	EQ	LUX	01/25	USD	0.82	0.8	76.2	-7.6
U.S. Special Opportunities	OT	OT	LUX	01/25	USD	0.85	4.5	86.8	4.9
U.S. Tsy Inf-ProtSec AA	OT	BD	LUX	01/25	USD	1.15	0.7	10.2	2.1

■ PT CIPTADANA ASSET MANAGEMENT

Tel: +62 21 25574 883 Fax: +62 21 25574 893 Website: www.ciptadana.com

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
Indonesian Grth Fund	EA	EQ	CYM	01/20	USD	135.86	6.7	122.6	3.5

Sensible Asset Management
A Value Partners Group company

■ SENSIBLE ASSET MANAGEMENT LIMITED

www.samfund.com.hk Tel: (852) 2868 6848 Fax: (852) 2810 9948

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
Asia Value Formula Fd-B	AS	EQ	CYM	01/22	USD	7.95	-0.9	99.2	1.4

■ SG ASSET MANAGEMENT (HK) LTD

Hotline in Hong Kong 2166 5099

A company of Amundi Group

www.sgam.com

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
Bonds Eur Hi Yld A	OT	OT	LUX	01/21	EUR	21.25	3.3	54.0	2.7
Bonds EURO A	OT	OT	LUX	01/22	EUR	41.16	0.3	5.6	4.5
Bonds EUROPE A	OT	OT	LUX	01/22	EUR	39.32	0.5	5.1	4.0
Bonds US OppsCoreplus A	OT	OT	LUX	01/21	USD	37.47	1.6	16.1	8.1
Bonds World A	OT	OT	LUX	01/21	USD	42.03	0.1	8.9	4.8
Eq. AsiaPac Dual Strategies A	OT	OT	LUX	01/22	USD	10.13	-2.8	77.8	-3.5
Eq. China A	AS	EQ	LUX	01/22	USD	22.64	-6.2	71.2	-4.4
Eq. Concentrated Euroland A	OT	OT	LUX	01/22	EUR	89.54	-3.7	27.2	-14.4
Eq. ConcentratedEuropeA	EU	EQ	LUX	01/21	EUR	26.88	-0.5	43.6	-10.9
Eq. Emerging Europe A	OT	OT	LUX	01/21	EUR	25.36	7.7	105.4	-17.8
Eq. Euroland A	EU	EQ	LUX	01/22	EUR	10.48	-3.2	26.9	-15.2
Eq. Euroland Small Cap A	OT	OT	LUX	01/21	EUR	143.93	2.0	49.2	-1.3
Eq. EurolandCyclclsA	EU	EQ	LUX	01/21	EUR	17.66	-0.8	37.9	-8.3
Eq. EurolandFinancialA	OT	EQ	LUX	01/22	EUR	10.78	-4.7	54.8	-17.6
Eq. Glbl Emg Cty A	GL	EQ	LUX	01/22	USD	9.21	-4.9	73.4	-10.7
Eq. Global A	GL	EQ	LUX	01/22	USD	27.18	-2.4	39.3	-9.0
Eq. Global Energy A	OT	EQ	LUX	01/21	USD	18.10	-0.2	34.0	-7.4
Eq. Global Resources A	OT	OT	LUX	01/22	USD	105.43	-3.4	58.2	-7.9
Eq. Gold Mines A	OT	EQ	LUX	01/22	USD	28.82	-4.9	48.2	-3.7
Eq. India A	OT	OT	LUX	01/22	USD	128.92	-1.4	90.9	-10.8
Eq. Japan CoreAlpha A	OT	OT	LUX	01/22	JPY	7741.44	6.7	37.2	-2.3
Eq. Latin America A	OT	OT	LUX	01/21	USD	110.26	-5.2	81.3	-6.1
Eq. US Lg Cap Gr A	US	EQ	LUX	01/21	USD	15.28	0.2	45.2	-7.4
Eq. US Rel Val A	US	EQ	LUX	01/22	USD	20.23	-1.8	38.4	-11.0
Eq. US Sm Cap Val A	US	EQ	LUX	01/22	USD	15.61	-2.1	35.5	-15.8
Money Market EURO A	EU	MM	LUX	01/21	EUR	27.40	0.0	0.9	2.5
Money Market USD A	US	MM	LUX	01/21	USD	15.83	0.0	0.5	1.6

المستثمر الوطني The National Investor

■ THE NATIONAL INVESTOR

TNI Tower | Zayed 1st Street Khalidia| Web:www.tni.ae

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
TNI Mena Real Estate Fund	OT	OT	BMU	01/14	USD	954.00	-0.7	-2.1	-29.6
TNI MENA Special Sits Fund	OT	OT	BMU	12/31	USD	1079.31	11.2	11.2	NS
TNI UAE Blue Chip Fund	OT	OT	ARE	01/14	AED	5.19	-2.6	6.0	-33.8

Value Partners
Investing through discipline

■ WEBSITE: WWW.VALUEPARTNERS.COM.HK, TEL: (852) 2880 9263, FAX: (852) 2564 8487

**formerly known as China ABH Shares Fund*

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
Intel-Chin MainInd Foc	AS	EQ	CYM	01/15	USD	30.29	1.5	99.7	5.9
Intel-China Converg*	AS	EQ	CYM	01/15	USD	115.18	1.0	99.9	4.9
VP Classic - A	AS	EQ	CYM	01/22	USD	183.24	-1.7	99.3	0.3
VP CLassic - B	AS	EQ	CYM	01/18	USD	85.38	-1.8	90.1	-0.2
VP High Dividend Stk	AS	EQ	CYM	01/18	USD	46.37	2.1	87.8	1.5

yuki Yuki Management & Research Tel +81-3-5298-3277 www.yukijapan.co.jp

■ YUKI INTERNATIONAL LIMITED

Tel +44-207-269 0203 www.yukifunds.com

■ YMR-N Series

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
YMR-N Growth Fund	OT	OT	IRL	01/25	JPY	9535.00	1.7	22.7	-14.9
YMR-N Small Cap Fund	OT	OT	IRL	01/25	JPY	6987.00	0.3	18.2	-13.9

■ Yuki 77 Series

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
Yuki 77 General	JP	EQ	IRL	01/25	JPY	6203.00	0.8	17.5	-22.0
Yuki 77 Growth	JP	EQ	IRL	01/25	JPY	5666.00	0.4	10.4	-26.8

■ Yuki Chugoku Series

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
Yuki Chugoku Jpn Gen	JP	EQ	IRL	01/25	JPY	6927.00	1.5	23.8	-18.0
Yuki Chugoku JpnLowP	JP	EQ	IRL	01/25	JPY	7803.00	3.5	7.7	-17.8

■ Yuki Hokuyo Japan Series

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
Yuki Hokuyo Jpn Gen	JP	EQ	IRL	01/25	JPY	4740.00	1.4	17.0	-22.1
Yuki Hokuyo Jpn Inc	JP	EQ	IRL	01/25	JPY	5355.00	2.0	12.5	-16.4
Yuki Hokuyo Jpn Sm Cap	JP	EQ	IRL	01/25	JPY	5084.00	-0.4	18.0	-17.6

■ Yuki Mizuho Series

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
Yuki Mizuho Gen Jpn III	OT	OT	IRL	01/25	JPY	4434.00	0.3	19.7	-26.2
Yuki Mizuho Jpn Dyn Gro	OT	OT	IRL	01/25	JPY	4677.00	0.3	19.3	-26.0
Yuki Mizuho Jpn Exc 100	OT	OT	IRL	01/25	JPY	6997.00	0.4	30.4	-20.5
Yuki Mizuho Jpn Gen	OT	OT	IRL	01/25	JPY	8680.00	0.7	24.9	-19.8
Yuki Mizuho Jpn Gro	OT	OT	IRL	01/25	JPY	6384.00	0.4	15.4	-22.7
Yuki Mizuho Jpn Inc	OT	OT	IRL	01/25	JPY	7748.00	1.5	6.9	-19.1
Yuki Mizuho Jpn Lg Cap	OT	OT	IRL	01/25	JPY	5289.00	1.9	22.1	-20.2
Yuki Mizuho Jpn LowP	OT	OT	IRL	01/25	JPY	11685.00	1.1	17.1	-14.7
Yuki Mizuho Jpn PGth	OT	OT	IRL	01/25	JPY	7939.00	-0.3	18.8	-25.3
Yuki Mizuho Jpn SmCp	OT	OT	IRL	01/25	JPY	7110.00	-0.4	26.2	-18.6
Yuki Mizuho Jpn Val Sel	OT	OT	IRL	01/25	JPY	5717.00	1.2	22.4	-17.3
Yuki Mizuho Jpn YoungCo	OT	OT	IRL	01/25	JPY	2750.00	0.9	20.5	-25.3

■ Yuki Shizuoka Japan Series

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
Yuki Shizuoka General Japan	JP	EQ	IRL	01/25	JPY	5483.00	1.1	24.0	-19.2

For information about listing your funds, please contact: Carson Wong tel: +852 2831-6481; email: carson.wong@dowjones.com

BLUE CHIPS & BONDS

Major players & benchmarks

At right, a look at the Asia Titans, the biggest and best known companies in Asia. Below, some of the Dow Jones Titans indexes of biggest and most liquid stocks in individual countries and regions

Giants around the world

In U.S.-dollar terms.

Dow Jones Country Titans

	INDEX PERFORMANCE		
	Previous session	Year-to-date	52-week
Japan	-0.64%	3.4%	25.4%
Turkey	-0.09	1.5	101.2
Sweden	0.27	0.6	60.7
Russia	1.37	0.4	115.0
Netherlands	0.43	-0.5%	38.5
Switzerland	0.08	-1.5	28.8
South Korea	-1.14	-1.7	56.8
South Africa	0.76	-1.7	28.8
U.K.	-0.42	-2.3	25.4
Italy	-0.02	-2.8	29.8
Australia	-0.84	-3.0	41.1
Singapore	-0.35	-3.3	68.6
France	-0.26	-3.5	30.2
Spain	-0.46	-3.9	23.0
Canada	0.46	-4.2	28.6
Germany	-0.50	-4.8	25.2
Hong Kong	-0.37	-5.6	59.1
China 88	-1.03	-7.9	52.5
Brazil	1.15	-8.1	95.4

Dow Jones Regional Sector Titans

Travel Leisure	0.39%	4.1%	30.8%
EU Enlarged†-p	-1.93	2.0	56.7
Pers H'hold Gds	0.44	1.8	32.0
Asian 50	-0.62	1.7	50.2
Arab 50	0.36	0.9	29.0
Nordic 30 -p	-0.88	unch.	43.5
Stoxx 50 -p	-1.20	-2.4%	32.7
Global 50	-0.11	-2.7	29.0
Tiger 50*	-0.38	-4.1	74.0
Euro Stoxx 50 -p	-0.92	-4.3	32.1

*Asia excluding Japan †15 companies from the new EU countries; Cyprus, CzechRepublic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

Source: Dow Jones Indexes

Dow Jones Asia Titans: Monday's best and worst...

Company	Country	Industry	Market value, in billions of US$	Previous close, in local currency	STOCK PERFORMANCE Previous session	52-week	Three-year
Sun Hung Kai Prop	Hong Kong	Real Estate Hldg Dev	$35.1	106.20	2.12%	62.1%	11.6%
Samsung Elec	South Korea	Semiconductors	107.6	842,000	2.06	90.5	45.7
Panasonic	Japan	Consumer Electronics	35.3	1,536	1.99	45.3	-36.3
Seven I Hldgs	Japan	Broadline Retailers	19.9	1,981	1.69	-20.0	-45.7
Hon Hai Precision Ind	Taiwan	Electrical Components Equipment	37.2	139.50	1.09	171.9	-5.0
KB Fncl Group	South Korea	Banks	$17.6	52,700	-2.59%	69.9	-25.8
Toyota Motor	Japan	Automobiles	138.8	3,970	-2.10	44.1	-50.4
KDDI	Japan	Mobile Telecommunications	25.9	528,000	-2.04	-7.7	-39.9
Shin-Etsu Chml	Japan	Specialty Chemicals	22.9	4,855	-1.82	23.2	-38.5
Westpac Bking	Australia	Banks	65.6	24.92	-1.81	70.7	-0.0

...And the rest of Asia's blue chips

Company/Country (Industry)	Market value, in billions (U.S)	Latest, in local currency	STOCK PERFORMANCE Latest	52-week	Three-year
China Mobile (HK) Hong Kong (Mobile Telecommunications)	192.2	75.10	0.81%	9.7%	4.7%
East Japan Railway Japan (Travel Tourism)	27.3	6,220	0.65	-3.1	-25.9
Hutchison Whampoa Hong Kong (Diversified Industrials)	30.1	54.90	0.64	49.4	-30.5
Cheung Kong Hong Kong (Real Estate Holding Development)	28.8	96.45	0.57	42.6	-4.6
RioZim Ltd Australia (General Mining)	40.3	73.34	0.55	144.2	20.4
NTT DoCoMo Japan (Mobile Telecommunications)	64.2	138,500	0.51	-12.8	-25.1
Nintendo Japan (Toys)	36.4	25,660	0.51	-11.7	-25.3
Canon Japan (Electronic Office Equipment)	51.8	3,780	0.27	54.0	-41.9
Sony Japan (Consumer Electronics)	34.8	3,150	0.16	80.3	-45.0
Sumitomo Mitsui Finl Japan (Banks)	33.6	3,000	...	-2.3	-75.6
Woolworths Australia (Food Retailers Wholesalers)	30.6	27.48	-0.07	8.2	19.1
Takeda Pharm Japan (Pharmaceuticals)	35.0	3,995	-0.13	-5.1	-49.4
JFE Hldgs Japan (Iron Steel)	19.6	3,335	-0.15	53.0	-51.0
Nippon Steel Japan (Iron Steel)	25.4	363.00	-0.27	39.6	-49.0
Kansai Elec Power Japan (Conventional Electricity)	22.4	2,115	-0.28	-9.8	-39.4
Japan Tobacco Japan (Tobacco)	34.3	322,000	-0.31	33.1	-44.7
Nippon T&T Japan (Fixed Line Telecommunications)	58.0	3,950	-0.38	-14.9	-35.3
POSCO South Korea (Iron Steel)	38.6	587,000	-0.51	72.4	80.6
Mitsui Japan (Industrial Suppliers)	27.9	1,386	-0.57	56.4	-28.4
National Australia Bk Australia (Banks)	50.3	26.54	-0.67	56.7	-33.7

Company/Country (Industry)	Market value, in billions (U.S)	Latest, in local currency	STOCK PERFORMANCE Latest	52-week	Three-year
Indl Comm Bk China Hong Kong (Banks)	62.1	5.81	-0.68%	79.3%	27.1%
QBE Ins Grp Australia (Reinsurance)	21.2	22.91	-0.74	0.9	-24.3
PetroChina Hong Kong (Integrated Oil Gas)	24.7	9.10	-0.76	63.1	-4.8
Woodside Petroleum Australia (Exploration Production)	28.6	44.00	-0.83	32.7	18.4
Tokyo Elec Power Japan (Conventional Electricity)	37.0	2,466	-0.88	-12.6	-40.7
CNOOC Hong Kong (Exploration Production)	65.8	11.44	-1.04	76.0	70.5
Mizuho Financial Grp Japan (Banks)	29.3	188.00	-1.05	-8.7	-78.6
BHP Billiton Australia (General Mining)	125.2	41.25	-1.08	50.3	57.2
Commonwlth Bk of Aus Australia (Banks)	75.8	55.15	-1.08	129.1	10.6
Mitsubishi Japan (Industrial Suppliers)	41.3	2,267	-1.09	94.4	-6.9
China Constr Bk Hong Kong (Banks)	177.3	6.13	-1.13	66.1	31.8
Taiwan Smcndtr Mfg Taiwan (Semiconductors)	48.8	60.40	-1.15	51.0	-10.6
Nissan Motor Japan (Automobiles)	33.5	741.00	-1.20	168.5	-51.9
Mitsubishi UFJ Finl Japan (Banks)	75.2	487.00	-1.22	6.3	-66.9
Shinhan Financial Grp South Korea (Banks)	16.6	40,400	-1.22	63.9	-14.7
Westfield Grp Australia (Retail REITs)	25.8	12.35	-1.28	3.3	-43.9
China Life Ins Hong Kong (Life Insurance)	33.8	35.25	-1.40	77.1	51.0
Aus NZ Bk Australia (Banks)	50.5	22.29	-1.59	84.8	-23.0
Honda Motor Japan (Automobiles)	64.4	3,175	-1.70	63.3	-33.0
Tokio Marine Hldgs Japan (Property Casualty Insurance)	22.4	2,568	-1.80	17.3	-40.4

Sources: Dow Jones Indexes; WSJ Market Data Group

Tracking credit markets & dealmakers

— NOTICE TO READERS —
All statistics published in The Wall Street Journal Asia from markets outside the Asian-Pacific region reflect preliminary data.

WSJ.com

Follow the markets throughout the day with updated stock quotes, news and commentary at **WSJ.com/Asia**.
Also, receive email alerts that summarize the day's trading in Europe and Asia. To sign up, go to **WSJ.com/OnlineToday**

Hedge funds

Dow Jones Hedge Benchmark	TOTAL RETURN for rolling periods, net of fees* One week	One month	One quarter	Year to date	One year
Merger Arbitrage	-0.11%	0.54%	1.4%	0.0%	6.4%
Event Driven	-0.09	1.35	2.8	0.9	14.6
Equity Long/Short	-0.87	2.04	1.8	1.4	4.4

*Estimates as of 01/21/10, after fees; Source: www.djhedgefundindexes.com

Credit derivatives

Spreads on credit derivatives are one way the market rates creditworthiness. Regions that are treading in rough waters can see spreads swing toward the maximum—and vice versa. Indexes below are for five-year swaps.

Markit iTraxx Indexes

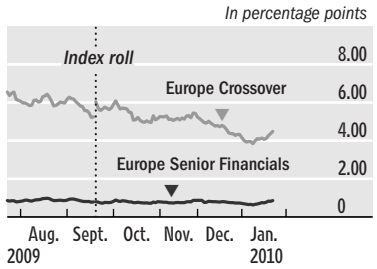
Index: series/version	Mid-spread, in pct. pts.	Mid-price	Coupon	SPREAD RANGE, in pct. pts. since most recent roll Maximum	Minimum	Average
Europe: 12/1	0.82	100.84%	0.01%	1.00	0.65	0.82
Eur. High Volatility: 12/1	1.18	99.16	0.01	1.76	0.92	1.31
Europe Crossover: 12/1	4.49	102.01	0.05	6.15	3.79	5.00
Asia ex-Japan IG: 12/1	1.06	99.73	0.01	1.29	0.87	1.04
Japan: 12/1	1.38	98.21	0.01	1.68	0.99	1.32

Note: Data as of January 22

Spreads

Spreads on five-year swaps for corporate debt; based on Markit iTraxx indexes.

In percentage points



Source: Markit Group

Credit-default swaps: Asian companies

At its most basic, the pricing of credit-default swaps measures how much a buyer has to pay to purchase-and how much a seller demands to sell-protection from default on an issuer's debt. The snapshot below gives a sense which way the market was moving yesterday.

Showing the biggest improvement...

	Yesterday	CHANGE, in basis points Yesterday	Five-day	28-day
Wharf Hldgs	83	-6	6	...
Kawasaki Heavy Inds	143	-6	11	-6
Hitachi Cap	111	-5	-4	-11
Mitsubishi Matls	98	-4	-2	-5
Isetan	81	-4	-4	-9
IHI	314	-4	8	-20
Citic Pac	127	-3	-4	-17
Sanyo Elec	53	-2	-2	-6
Tokyu	38	-2	-4	-2
Sekisui House	72	-1	1	-2

And the most deterioration

	Yesterday	CHANGE, in basis points Yesterday	Five-day	28-day
Korea Dev Bk	118	10	26	22
Hana Bank	125	11	21	23
Malaysia	105	11	19	16
Chartered Semicon Mfg	145	11	15	-12
Socialist Rep Vietnam	265	13	28	28
Nec Electrs	240	13	14	-5
Promise	637	13	81	-181
Sanyo Shinpan Fin	636	14	78	-187
Rep Indonesia	210	15	20	17
Rep Philippines	193	16	27	24

Source: Markit Group

Behind Asia's deals: Bank revenue rankings, Global

Behind every IPO, bond offering, merger deal or syndicated loan is one or more investment banks. Here are investment banks ranked by year-to-date revenues from recent deals.

	Revenue, in millions	Market share	PERCENTAGE OF TOTAL REVENUE Equity capital markets	Debt capital markets	Mergers & acquisitions	Loans
JPMorgan	$5,455	9.1%	45%	29%	20%	6%
Bank of America Merrill Lynch	4,057	6.8	41	31	19	9
Goldman Sachs	4,044	6.8	47	20	31	1
Morgan Stanley	3,578	6.0	49	23	27	1
Citi	3,394	5.7	37	34	23	6
Credit Suisse	3,029	5.1	43	32	23	2
Deutsche Bank	2,800	4.7	36	40	20	5
UBS	2,785	4.7	47	24	27	2
Barclays Capital	2,026	3.4	21	53	19	7

Source: Dealogic

GLOBAL MARKETS LINEUP

Commodities

Prices of futures contracts with the most open interest

EXCHANGE LEGEND: CBOT: Chicago Board of Trade; **CME:** Chicago Mercantile Exchange; **NYBOT:** New York Board of Trade; **MDEX:** Bursa Malaysia Derivatives Berhad; **LIFFE:** London International Financial Futures Exchange; **LME:** London Mercantile Exchange; **NYMEX:** New York Mercantile Exchange; **ICE:** IntercontinentalExchange

Commodity	Exchange	Last price	ONE-DAY CHANGE Net	ONE-DAY CHANGE Percentage	Contract high	Contract low
Corn (cents/bu.)	CBOT	367.50	2.75	0.75%	712.25	315.50
Soybeans (cents/bu.)	CBOT	943.00	-8.50	-0.89%	1,560.00	805.00
Wheat (cents/bu.)	CBOT	502.50	4.00	0.80	1,029.25	459.00
Live cattle (cents/lb.)	CME	90.150	-0.400	-0.44	95.175	85.050
Cocoa ($/ton)	ICE-US	3,402	-23	-0.67	3,510	1,994
Coffee (cents/lb.)	ICE-US	139.70	0.10	0.07	188.65	115.00
Sugar (cents/lb.)	ICE-US	29.39	0.61	2.12	29.82	11.91
Cotton (cents/lb.)	ICE-US	71.08	0.01	0.01	84.00	49.67
Crude palm oil (ringgit/ton)	MDEX	2,469.00	14	0.57	2,743	2,150
Cocoa (pounds/ton)	LIFFE	2,329	-11	-0.47	2,350	1,310
Robusta coffee ($/ton)	LIFFE	1,368	8	0.59	1,710	1,300
Copper (cents/lb.)	COMEX	339.20	4.50	1.34	365.00	135.50
Gold ($/troy oz.)	COMEX	1095.40	6.20	0.57	1,229.00	785.10
Silver (cents/troy oz.)	COMEX	1711.00	17.80	1.05	2,011.50	1,045.00
Aluminum ($/ton)	LME	2,246.00	26.50	1.19	2,356.50	1,288.00
Tin ($/ton)	LME	17,795.00	195.00	1.11	18,250.00	9,945.00
Copper ($/ton)	LME	7,425.00	166.00	2.29	7,695.00	3,145.00
Lead ($/ton)	LME	2,250.00	5.00	0.22	2,615.00	995.00
Zinc ($/ton)	LME	2,343.50	0.50	0.02	2,659.00	1,086.00
Nickel ($/ton)	LME	18,400	-105	-0.57	21,150	9,475
Crude oil ($/bbl.)	NYMEX	74.84	0.30	0.40	141.30	48.78
Heating oil ($/gal.)	NYMEX	1.9657	0.1270	0.65	3.5280	1.3800
RBOB gasoline ($/gal.)	NYMEX	1.9894	0.0160	0.81	2.2003	1.2176
Natural gas ($/mmBtu)	NYMEX	5.770	0.020	0.35	12.590	4.550
Brent crude ($/bbl.)	ICE-EU	73.18	0.35	0.48	98.10	49.10
Gas oil ($/ton)	ICE-EU	601.00	-4.00	-0.66	688.00	502.25

Source: Thomson Reuters; WSJ Market Data Group

WSJ.com

Follow the markets throughout the day with updated stock quotes, news and commentary at **WSJ.com**
Also, receive email alerts that summarize the day's trading in Europe and Asia. To sign up, go to **WSJ.com/Email**

Currencies

London close on Jan. 25

AMERICAS	Per euro	In euros	Per U.S. dollar	In U.S. dollars
Argentina peso-a	5.3876	0.1856	3.8063	0.2627
Brazil real	2.5818	0.3873	1.8240	0.5482
Canada dollar	1.4996	0.6668	1.0595	0.9439
1-mo. forward	1.4996	0.6668	1.0595	0.9439
3-mos. forward	1.4997	0.6668	1.0595	0.9438
6-mos. forward	1.4999	0.6667	1.0597	0.9437
Chile peso	718.55	0.001392	507.65	0.001970
Colombia peso	2775.56	0.0003603	1960.90	0.0005100
Ecuador US dollar-f	1.4155	0.7065	1	1
Mexico peso-a	18.2576	0.0548	12.8988	0.0775
Peru sol	4.0362	0.2478	2.8515	0.3507
Uruguay peso-e	27.601	0.0362	19.500	0.0513
U.S. dollar	1.4155	0.7065	1	1
Venezuela bolivar	6.08	0.164504	4.29	0.232848
ASIA-PACIFIC				
Australia dollar	1.5665	0.6383	1.1067	0.9036
China yuan	9.6632	0.1035	6.8270	0.1465
Hong Kong dollar	10.9955	0.0909	7.7682	0.1287
India rupee	65.2310	0.0153	46.0850	0.0217
Indonesia rupiah	13192	0.0000758	9320	0.0001073
Japan yen	127.56	0.007839	90.12	0.011096
1-mo. forward	127.54	0.007840	90.11	0.011098
3-mos. forward	127.50	0.007843	90.08	0.011101
6-mos. forward	127.42	0.007848	90.02	0.011109
Malaysia ringgit-c	4.8118	0.2078	3.3995	0.2942
New Zealand dollar	1.9806	0.5049	1.3993	0.7147
Pakistan rupee	119.889	0.0083	84.700	0.0118
Philippines peso	65.429	0.0153	46.225	0.0216
Singapore dollar	1.9808	0.5049	1.3994	0.7146
South Korea won	1623.52	0.0006159	1147.00	0.0008718
Taiwan dollar	45.252	0.02210	31.970	0.03128
Thailand baht	46.632	0.02144	32.945	0.03035

EUROPE	Per euro	In euros	Per U.S. dollar	In U.S. dollars
Euro zone euro	1	1	0.7065	1.4155
1-mo. forward	1.0001	0.9999	0.7065	1.4154
3-mos. forward	1.0002	0.9998	0.7066	1.4151
6-mos. forward	1.0007	0.9993	0.7070	1.4145
Czech Rep. koruna-b	26.036	0.0384	18.395	0.0544
Denmark krone	7.4454	0.1343	5.2601	0.1901
Hungary forint	272.75	0.003666	192.70	0.005190
Norway krone	8.2181	0.1217	5.8060	0.1722
Poland zloty	4.0793	0.2451	2.8820	0.3470
Russia ruble-d	42.615	0.02347	30.107	0.03322
Sweden krona	10.2339	0.0977	7.2302	0.1383
Switzerland franc	1.4723	0.6792	1.0402	0.9614
1-mo. forward	1.4720	0.6793	1.0400	0.9616
3-mos. forward	1.4715	0.6796	1.0396	0.9619
6-mos. forward	1.4705	0.6800	1.0389	0.9625
Turkey lira	2.1083	0.4743	1.4895	0.6714
U.K. pound	0.8733	1.1451	0.6170	1.6208
1-mo. forward	0.8735	1.1448	0.6171	1.6204
3-mos. forward	0.8739	1.1443	0.6174	1.6197
6-mos. forward	0.8745	1.1436	0.6178	1.6186
MIDDLE EAST/AFRICA				
Bahrain dinar	0.5336	1.8741	0.3770	2.6527
Egypt pound-a	7.7075	0.1297	5.4453	0.1836
Israel shekel	5.2711	0.1897	3.7240	0.2685
Jordan dinar	1.0017	0.9983	0.7077	1.4130
Kuwait dinar	0.4059	2.4637	0.2868	3.4872
Lebanon pound	2125.30	0.0004705	1501.50	0.0006660
Saudi Arabia riyal	5.3081	0.1884	3.7501	0.2667
South Africa rand	10.7929	0.0927	7.6251	0.1311
United Arab dirham	5.1989	0.1923	3.6730	0.2723
SDR -f	0.9057	1.1041	0.6399	1.5628

a-floating rate b-commercial rate c-government rate c-commercial rate d-Russian Central Bank rate f-Special Drawing Rights from the International Monetary Fund ; based on exchange rates for U.S., British and Japanese currencies.
Note: Based on trading among banks in amounts of $1 million and more, as quoted by Thomson Reuters.

Major stock market indexes

Stock indexes from around the world, grouped by region. Shown in local-currency terms.

Price-to-earnings ratio*	Region/Country	Index	PREVIOUS SESSION Close	PREVIOUS SESSION Net change	PREVIOUS SESSION Percentage change	PERFORMANCE Yr.-to-date	PERFORMANCE 52-wk.
54	**ASIA-PACIFIC**	DJ Asia-Pacific	124.30	-0.83	-0.66%	1.0%	47.7%
...	Australia	SPX/ASX 200	4717.86	-32.76	-0.69	-3.1	41.1
...	China	CBN 600	27394.90	-350.69	-1.26	-5.7	64.6
19	Hong Kong	Hang Seng	20598.55	-127.63	-0.62	-5.8	63.8
19	India	Sensex	16780.46	-79.22	-0.47	-3.9	93.4
...	Indonesia	Jakarta Composite	2597.860	-12.480	-0.48	2.5	97.5
...	Japan	Nikkei Stock Average	10512.69	-77.86	-0.74	-0.3	36.8
...		Topix	934.59	-6.35	-0.67	3.0	21.6
...	Malaysia	Kuala Lumpur Composite	1296.79	-3.66	-0.28	1.9	48.6
...	New Zealand	NZSX-50	3188.657	-1.772	-0.06	-1.3	17.8
9	Pakistan	KSE 100	9689.20	-84.87	-0.87	3.2	101.2
14	Philippines	Manila Composite	2967.96	-55.51	-1.84	-2.8	58.7
...	Singapore	Straits Times	2811.71	-8.00	-0.28	-3.0	66.8
11	South Korea	Kospi	1670.20	-14.15	-0.84	-0.7	52.8
20	Taiwan	Weighted	7872.99	-54.32	-0.69	-3.8	85.3
10	Thailand	SET	710.39	-3.71	-0.52	-3.3	62.7
50	**EUROPE**	DJ Stoxx 600	248.69	-1.22	-0.49	-1.8	32.2
22		DJ Stoxx 50	2503.77	-18.99	-0.75	-2.9	27.5
62	**Euro Zone**	DJ Euro Stoxx	264.57	-1.93	-0.72%	-3.7%	28.8%
20		DJ Euro Stoxx 50	2810.85	-25.95	-0.91	-5.2	26.2
19	Denmark	OMX Copenhagen	327.76	2.60	0.80%	3.8	39.2
21	Finland	OMX Helsinki	6495.00	-39.06	-0.60	0.6	29.4
19	France	CAC-40	3781.85	-38.93	-1.02	-3.9	28.0
20	Germany	DAX	5631.37	-63.95	-1.12	-5.5	30.1
15	Italy	FTSE MIB	22373.09	-194.72	-0.86	-3.8	25.7
...	Netherlands	AEX	328.51	-0.97	-0.29	-2.0	32.5
...	Russia	RTSI	1485.92	-3.54	-0.24	4.1	175.5
11	Spain	IBEX 35	11249.3	-124.1	-1.09	-5.8	34.3
14	Switzerland	SMI	6451.30	-42.66	-0.66	-1.4	19.1
...	Turkey	ISE National 100	54281.00	283.51	0.53	2.8	109.0
15	U.K.	FTSE 100	5260.31	-42.68	-0.80	-2.8	25.0
21	**AMERICAS**	DJ Americas	291.79	1.99	0.69	-1.6	38.9
...	Brazil	Bovespa	66220.04		Closed	-3.5	72.2
...	Argentina	Merval	2299.99	-31.61	-1.36	-0.9	111.1
20	Mexico	IPC	30692.62	-138.29	-0.45	-4.4	56.6

*P/E ratios use trailing 12-months, as-reported earnings
European and Americas index data are as of 12:00 p.m. ET.

Sources: Thomson Reuters; WSJ Market Data Group

Reuters Group PLC is the primary data provider for several statistical tables in The Wall Street Journal, including foreign stock quotations, futures and futures options prices, and foreign exchange tables. Reuters real-time data feeds are used to calculate various Dow Jones Indexes.

Dow Jones and Dow Jones Stoxx Indexes

Dividend yield*	Price-to-earnings ratio*	Dows Jones Index	Last	Net change	PERFORMANCE Daily	52-wk.	YTD	Three-yr., annualized
2.16%	22	**DJ Global Index**	224.01	0.46	0.20%	42.2%	-1.3%	-7.1%
		Global DOW	1930.90	-1.37	-0.07	40.4	-2.7	-3.8
2.32		**Asia/Pacific 600**	117.72	-0.76	-0.64	37.9	2.6	-7.5
1.73	15	**Emerging Markets**	272.27	-0.91	-0.33	86.7	-2.7	2.4
2.11	54	**Asia/Pacific**	124.30	-0.83	-0.67	47.7	1.0	-5.6
2.40	17	**Asia/Pacific ex-Japan**	306.88	-2.05	-0.66	85.7	-2.7	-0.4
2.55	24	**Southeast Asia**	157.49	-0.87	-0.55	87.7	-2.1	1.0
0.86	28	**CBN China 600** -c	27394.90	-350.69	-1.26	64.6	-5.7	13.3
0.88	31	**Shanghai**	368.93	-5.00	-1.34	64.8	-4.8	13.6
0.59	45	**Shenzhen**	397.08	-5.06	-1.26	87.4	-4.7	19.8
2.33	18	**China Offshore 50**	3820.40	-23.14	-0.60	69.8	-6.3	4.8
7.71	9	**Australia LPT** -c, d	1118.27	-12.91	-1.14	14.8	-3.8	-23.0

Dividend yield*	Price-to-earnings ratio*	Dows Jones Index	Last	Net change	PERFORMANCE Daily	52-wk.	YTD	Three-yr., annualized
2.10%	15	**Islamic Market**	1949.85	5.87	0.30%	39.2%	-1.3%	-2.2%
2.40	16	**Islamic Market 100**	2092.73	6.39	0.31	27.1	-1.3	-3.0
9.45	16	**Bahrain**	123.28	0.29	0.23	-13.1	1.3	-12.8
2.93	38	**Kuwait**	191.55	1.07	0.56	11.6	-1.6	-16.2
2.62	21	**Sustainability**	990.32	0.26	0.03	42.2	-2.2	-8.2
2.72	50	**Stoxx 600 -p**	263.71	-1.61	-0.61	51.3	-3.1	-9.9
4.74	17	**Stoxx Select Div 30 -p**	1750.72	-7.89	-0.45	51.9	-2.5	-21.7
3.98	23	**Euro Stoxx Sel Div 30 -p**	2078.19	-7.91	-0.38	59.0	-2.3	-17.3
1.74	30	**DJ U.S. TSM**	11376.62	87.54	0.78	34.9	-1.1	-7.5
4.27	15	**U.S. Select Dividend -d**	643.21	2.36	0.37	27.8	-1.1	-10.4
4.90		**U.S. REIT**	140.23	1.04	0.75	35.2	-3.5	-20.7
		DJ-UBS Commodity -p	134.90	-0.73	-0.54	19.1	-3.1	-5.8

*Fundamentals are based on data in U.S. dollar. Footnotes: c-in local currency. d-dividends reinvested. p-previous day. Note: All data as of 11:30 a.m. ET.

Source: Dow Jones Indexes

Cross rates

U.S.-dollar and euro foreign-exchange rates in global trading

	US$	A$	£	C$	YUAN	EURO	HK$	RUPEE	RUPIAH	YEN	NZ$	WON	RINGGIT	PH. PESO	S$	S FRANC	TW$	BAHT
U.S.		1.107	0.617	1.059	6.827	0.706	7.768	46.085	9319.66	90.120	1.399	1147.00	3.399	46.225	1.399	1.040	31.970	32.945
Australia	0.904		0.557	0.957	6.168	0.638	7.019	41.640	8420.78	81.428	1.264	1036.37	3.072	41.767	1.264	0.940	28.886	29.767
Britain	1.621	1.794		1.717	11.065	1.145	12.591	74.695	15105.31	146.066	2.268	1859.06	5.510	74.921	2.268	1.686	51.817	53.397
Canada	0.944	1.045	0.582		6.444	0.667	7.332	43.499	8796.70	85.063	1.321	1082.64	3.209	43.631	1.321	0.982	30.176	31.096
China	0.1465	0.162	0.090	0.155		0.103	1.138	6.750	1365.13	13.201	0.205	168.01	0.498	6.771	0.205	0.152	4.683	4.826
Euro	1.415	1.567	0.873	1.500	9.663		10.995	65.231	13191.52	127.560	1.981	1623.52	4.812	65.429	1.981	1.472	45.252	46.632
Hong Kong	0.129	0.142	0.079	0.136	0.879	0.091		5.933	1199.72	11.601	0.180	147.65	0.438	5.951	0.180	0.134	4.115	4.241
India	0.0217	0.0240	0.0134	0.0230	0.1481	0.0153	0.1686		202.23	1.9555	0.0304	24.89	0.0738	1.0030	0.0304	0.0226	0.6937	0.7149
Indonesia	0.0001	0.0001	0.0001	0.0001	0.0007	0.0001	0.0008	0.0049		0.0097	0.0002	0.12	0.0004	0.0050	0.0002	0.0001	0.0034	0.0035
Japan	0.011	0.012	0.007	0.012	0.076	0.008	0.086	0.511	103.41		0.016	12.73	0.038	0.513	0.016	0.012	0.355	0.366
New Zealand	0.715	0.791	0.441	0.757	4.879	0.505	5.552	32.935	6660.30	64.404		819.70	2.429	33.035	1.000	0.743	22.847	23.544
South Korea	0.0009	0.0010	0.0005	0.0009	0.0060	0.0006	0.0068	0.0402	8.13	0.0786	0.0012		0.0030	0.0403	0.0012	0.0009	0.0279	0.0287
Malaysia	0.294	0.326	0.181	0.312	2.008	0.208	2.285	13.556	2741.48	26.510	0.412	337.40		13.598	0.412	0.306	9.404	9.691
Philippines	0.022	0.024	0.013	0.023	0.148	0.015	0.168	0.997	201.62	1.950	0.030	24.81	0.074		0.030	0.023	0.692	0.713
Singapore	0.715	0.791	0.441	0.757	4.878	0.505	5.551	32.932	6659.76	64.399	1.000	819.64	2.429	33.032		0.743	22.846	23.542
Switzerland	0.961	1.064	0.593	1.019	6.563	0.679	7.468	44.306	8959.92	86.641	1.345	1102.73	3.268	44.441	1.345		30.736	31.673
Taiwan	0.031	0.035	0.019	0.033	0.214	0.022	0.243	1.442	291.51	2.819	0.044	35.88	0.106	1.446	0.044	0.033		1.030
Thailand	0.030	0.034	0.019	0.032	0.207	0.021	0.236	1.399	282.89	2.735	0.042	34.82	0.103	1.403	0.042	0.032	0.970	

Source: Thomson Reuters via WSJ Market Data Group

MSCI indexes

Developed and emerging-market regional and country indexes from MSCI Barra as of January. 25, 2010

Dividend yield	Price-to-earnings ratio	Morgan Stanley Index	Last	LOCAL-CURRENCY PERFORMANCE Daily	YTD	52-wk.
2.40%	27	**ALL COUNTRY (AC) WORLD***	294.29	-1.50%	n.a.	29.3%
2.40	28	**World (Developed Markets)**	1,149.89	-1.46	n.a.	25.0
1.80	117	**World Small Cap**	190.31	-1.47	n.a.	41.8
2.50	23	**Kokusai (World ex-Japan)**	1,130.23	-1.58	n.a.	26.7
2.90	28	**EAFE**	1,565.90	-0.66	n.a.	26.5
2.00	20	**Emerging Markets (EM)**	963.85	-1.76	n.a.	70.0
2.40	24	**AC ASIA PACIFIC EX-JAPAN**	407.25	-1.75	n.a.	64.6
2.00	24	**AC Far East ex-Japan**	438.35	-1.85	n.a.	60.7
1.70	35	**Japan**	589.72	-1.63	n.a.	11.3
1.90	21	**China**	61.93	-0.57	n.a.	51.8
0.80	40	**China A (China Domestic)**	3,211.35	-1.48	n.a.	85.2
2.60	24	**Hong Kong**	9,764.17	-0.98	n.a.	49.0
0.90	21	**India**	687.94	-1.11	n.a.	86.3
1.00	17	**Korea**	478.71	-2.40	n.a.	56.0
2.40	20	**Malaysia**	478.48	-0.47	n.a.	48.9
2.90	18	**Singapore**	1,572.42	-1.06	n.a.	57.8
2.50	248	**Taiwan**	284.85	-2.70	n.a.	64.3
2.90	19	**Thailand**	291.29	-0.70	n.a.	57.4
3.70	26	**Australia**	979.64	-1.60	n.a.	28.0
5.20	16	**New Zealand**	85.29	-1.57	n.a.	12.3
1.80	33	**US BROAD MARKET**	1,214.86	-2.17	n.a.	23.7
3.20	18	**EUROPE**	86.77	-1.11	n.a.	25.0

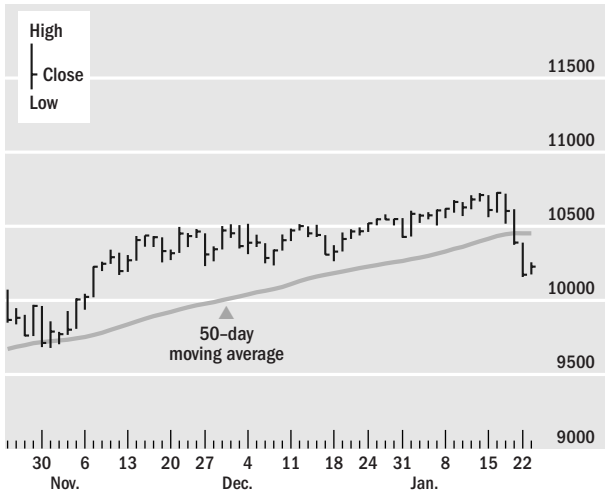
*Twenty-three developed and 26 emerging markets

Source: MSCI Barra

SCANNING THE GLOBE

Dow Jones Industrial Average P/E: 17

LAST: **10227.47** ▲ 54.49, or 0.54%
YEAR TO DATE: ▼ **200.58, or 1.9%**
OVER 52 WEEKS ▲ **2,111.44, or 26.0%**

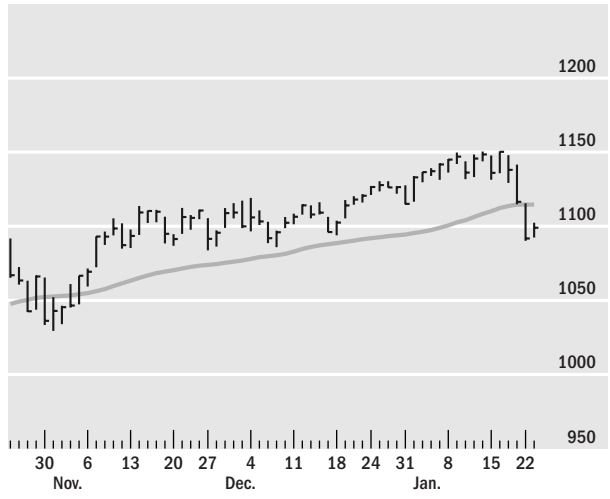


Nasdaq Composite Index P/E: 39*

LAST: **2218.35** ▲ 13.06, or 0.59%
YEAR TO DATE: ▼ **50.80, or 2.2%**
OVER 52 WEEKS ▲ **728.89, or 48.9%**

S&P 500 Index P/E: 47

LAST: **1099.01** ▲ 7.25, or 0.66%
YEAR TO DATE: ▼ **16.09, or 1.4%**
OVER 52 WEEKS ▲ **262.44, or 31.4%**



*Price-to-earnings ratio for the Nasdaq 100 Note: Price-to-earnings ratios are for trailing 12 months

Sources: WSJ Market Data Group; Birinyi Associates

DJIA component stocks

Stock	Symbol	Volume, in millions	Latest	CHANGE Points	CHANGE Percentage
AT&T	T	**12.50**	$25.63	0.24	**0.95%**
Alcoa	AA	**24.40**	13.45	0.05	**0.37**
AmExpress	AXP	**8.80**	37.75	-0.84	**-2.18**
BankAm	BAC	**143.70**	14.91	0.01	**0.07**
Boeing	BA	**1.70**	57.89	0.12	**0.21**
Caterpillar	CAT	**5.30**	55.35	1.10	**2.03**
Chevron	CVX	**4.80**	74.58	-0.01	**-0.01**
CiscoSys	CSCO	**27.00**	22.88	-0.09	**-0.39**
CocaCola	KO	**3.10**	54.28	0.04	**0.07**
Disney	DIS	**5.80**	29.89	-0.09	**-0.30**
DuPont	DD	**3.10**	32.73	0.23	**0.71**
ExxonMobil	XOM	**14.80**	65.87	-0.23	**-0.35**
GenElec	GE	**41.00**	16.36	0.25	**1.55**
HewlettPk	HPQ	**7.10**	50.28	0.99	**2.01**
HomeDpt	HD	**5.50**	27.66	-0.06	**-0.22**
Intel	INTC	**42.10**	20.27	0.36	**1.81**
IBM	IBM	**3.10**	126.38	0.88	**0.70**
JPMorgChas	JPM	**27.80**	39.11	-0.05	**-0.13**
JohnsJohns	JNJ	**4.30**	63.39	0.19	**0.30**
KftFoods	KFT	**9.70**	27.66	-0.21	**-0.75**
McDonalds	MCD	**3.40**	63.33	-0.06	**-0.09**
Merck	MRK	**6.30**	39.47	0.60	**1.54**
Microsoft	MSFT	**30.50**	29.34	0.38	**1.31**
Pfizer	PFE	**25.70**	19.04	0.08	**0.42**
ProctGamb	PG	**5.60**	60.70	0.39	**0.65**
3M	MMM	**1.70**	81.99	0.51	**0.63**
TravelersCos	TRV	**1.90**	48.17	-0.14	**-0.29**
UnitedTech	UTX	**2.10**	69.00	-0.08	**-0.12**
Verizon	VZ	**7.70**	30.68	0.34	**1.13**
WalMart	WMT	**6.10**	52.99	0.05	**0.09**

U.S. stocks: most active...

Stock	Symbol	Volume, in millions	Latest	CHANGE Points	CHANGE Percentage
Citigroup	C	**274.8**	$3.22	–$0.03	**–0.92%**
BankAm	BAC	**148.0**	14.91	0.01	**0.07**
SPDR S&P 500	SPY	**106.5**	109.82	0.61	**0.56**
SPDR FnclSelSct	XLF	**75.9**	14.20	0.02	**0.13**
PwrShrs QQQ	QQQQ	**73.0**	44.26	0.10	**0.23**
FordMotor	F	**60.4**	10.76	0.24	**2.28**
iShrMSCIEmrgMkt	EEM	**54.0**	39.79	0.18	**0.45**
DrxFinancBear 3x	FAZ	**43.5**	19.88	0.00	**0.00**
Intel	INTC	**42.4**	20.27	0.36	**1.81**
GenElec	GE	**41.7**	16.36	0.25	**1.55**
iShrRu2000	IWM	**36.9**	61.58	–0.15	**–0.24**
Microsoft	MSFT	**30.6**	29.32	0.36	**1.24**
JPMorgChas	JPM	**28.1**	39.07	–0.09	**–0.23**
FannieMae	FNM	**28.1**	0.93	–0.06	**–6.05**
CiscoSys	CSCO	**27.2**	22.87	–0.10	**–0.44**

Biggest gainers...

PowerSecureInt	POWR	**174.7**	$7.21	$1.12	**18.39%**
HavenCapTr	HAVNP	**2.4**	13.03	1.93	**17.39**
ChAdvCnstrMt	CADC	**50.0**	6.28	0.90	**16.73**
Silicom	SILC	**94.3**	10.49	1.49	**16.56**
Medifast	MED	**3,078.2**	21.09	2.21	**11.71**

...Biggest losers

PoniardPharm	PARD	**10,435.2**	$1.99	-$0.62	**-23.75%**
SCM Micro	INVE	**12.8**	1.78	-0.48	**-21.30**
AsiaSpcSitAcq	CIO	**14.3**	6.55	-0.91	**-12.20**
Fibertower	FTWR	**68.5**	4.25	-0.54	**-11.27**
FSI Int	FSII	**430.8**	2.49	-0.26	**-9.45**

ADRs of Asian companies*

52-WEEK High	52-WEEK Low	Stock	Symbol	Volume, in OOOs	Latest	CHANGE Points	CHANGE Percentage
$11.69	$6.36	**Taiwan Semi**	TSM	**6,763.2**	$10.24	0.15	**1.48%**
4.24	1.65	**Utd Microelectronics**	UMC	**4,082.6**	3.88	0.02	**0.52**
6.84	3.71	**Mitsu UFJ Fnl**	MTU	**3,292.0**	5.37	-0.01	**-0.19**
13.30	6.25	**AU Optrncs**	AUO	**2,147.3**	11.96	0.27	**2.31**
82.74	33.09	**BHP Billiton**	BHP	**1,589.9**	74.15	0.94	**1.28**
8.19	3.78	**Siliconware Prec Ind**	SPIL	**1,219.3**	6.90	0.10	**1.47**
15.95	8.56	**China Unicom**	CHU	**1,136.2**	11.77	0.11	**0.94**
59.22	40.20	**China Mobile**	CHL	**893.3**	47.89	1.02	**2.18**
59.13	22.61	**Infosys Tech**	INFY	**726.3**	54.57	0.46	**0.85**
18.20	6.85	**Korea Elec Pwr**	KEP	**534.1**	16.62	-0.84	**-4.81**
18.64	12.59	**SK Telecom**	SKM	**429.9**	17.25	-0.03	**-0.17**
21.47	11.30	**KT Corp**	KT	**420.1**	20.50	-0.23	**-1.11**
81.00	37.43	**China Life Ins**	LFC	**409.5**	67.55	0.36	**0.54**
34.27	9.91	**Aluminum Cp of China**	ACH	**326.5**	27.39	0.04	**0.15**
34.95	15.64	**Sony**	SNE	**324.8**	34.66	0.48	**1.40**
25.65	5.11	**Yanzhou Coal Mining**	YZC	**269.8**	21.77	0.88	**4.19**
150.50	47.09	**POSCO**	PKX	**260.0**	124.98	1.88	**1.53**
9.50	3.96	**Nomura Hldgs**	NMR	**258.3**	7.75	0.12	**1.57**
4.68	1.50	**SemiMfgInt**	SMI	**244.4**	4.00	-0.22	**-5.21**
5.23	1.51	**Adv Semi Engrg**	ASX	**229.5**	4.25	0.06	**1.43**
135.92	63.94	**PetroChina**	PTR	**226.6**	116.75	2.41	**2.11**
7.74	2.00	**Alumina**	AWC	**202.7**	6.10	0.24	**4.10**
17.19	10.60	**Matsushita Elec**	PC	**153.1**	16.93	0.53	**3.23**
56.41	31.92	**ChinaTele**	CHA	**151.1**	43.15	1.22	**2.91**
26.67	17.71	**NTT**	NTT	**148.1**	21.84	0.09	**0.41**
43.95	21.23	**Canon**	CAJ	**139.2**	41.68	0.60	**1.46**
91.97	56.79	**Toyota Motor**	TM	**138.5**	87.40	-0.77	**-0.87**
171.59	75.59	**CNOOC**	CEO	**116.8**	146.42	2.52	**1.75**
18.26	13.11	**NTT DoCoMo**	DCM	**115.9**	15.28	0.07	**0.46**
13.45	2.00	**City Telecom**	CTEL	**101.1**	10.99	0.51	**4.87**

*Most active American depositary receipts tracked by Dow Jones

Source: WSJ Market Data Group

Global government bonds

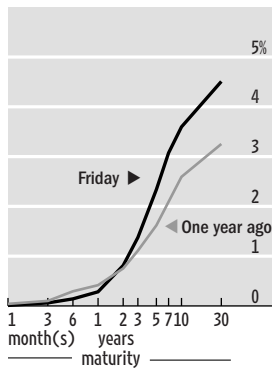
Latest, month-ago and year-ago yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds around the world. Data as of 11 a.m. ET

Coupon	Country/ Maturity, in years	Yield	SPREAD OVER TREASURYS, in basis points Latest	Previous	Month ago	Year ago	YIELD Previous	Month ago	Year ago
5.750%	**Australia** 2	**4.365%**	**354.9**	355.4	336.6	**174.4**	**4.370%**	4.337%	**2.561%**
4.500	10	**5.538**	**191.9**	188.1	185.6	**148.6**	**5.480**	5.661	**4.106**
5.000	**Austria** 2	**1.618**	**80.2**	87.8	-2.2	**66.3**	**1.694**	0.949	**1.480**
3.900	10	**3.677**	**5.8**	7.4	-16.9	**154.3**	**3.673**	3.636	**4.163**
2.000	**Belgium** 2	**1.399**	**58.3**	60.7	6.5	**73.6**	**1.423**	1.036	**1.553**
3.750	10	**3.769**	**15.0**	20.9	-12.6	**193.4**	**3.808**	3.679	**4.554**
1.250	**Canada** 2	**1.184**	**36.8**	36.3	42.2	**43.0**	**1.179**	1.393	**1.247**
3.750	10	**3.388**	**-23.1**	-22.0	-21.0	**20.2**	**3.379**	3.595	**2.822**
4.000	**Denmark** 2	**1.901**	**108.5**	103.6	104.4	**171.5**	**1.852**	2.015	**2.532**
4.000	10	**3.551**	**-6.8**	-2.8	-22.2	**102.0**	**3.571**	3.583	**3.640**
1.500	**France** 2	**1.011**	**19.5**	20.0	13.6	**82.6**	**1.016**	1.107	**1.643**
3.750	10	**3.465**	**-15.4**	-14.7	1529.5	**115.0**	**3.452**	19.100	**3.770**
1.250	**Germany** 2	**1.123**	**30.7**	29.9	21.6	**59.0**	**1.115**	1.187	**1.407**
3.250	10	**3.223**	**-39.6**	-39.8	-50.4	**55.0**	**3.201**	3.301	**3.170**
0.550	**Hong Kong** 2	**0.657**	**-15.9**	-16.4	-36.0	**-17.4**	**0.652**	0.611	**0.643**
2.160	10	**3.004**	**-61.5**	-61.9	-111.4	**-111.6**	**2.980**	2.691	**1.504**
5.000	**Italy** 2	**1.671**	**85.5**	87.2	51.3	**173.8**	**1.688**	1.484	**2.555**
4.250	10	**4.048**	**42.9**	45.4	24.7	**231.6**	**4.053**	4.052	**4.936**
0.200	**Japan** 2	**0.165**	**-65.1**	-65.1	-80.1	**-45.2**	**0.165**	0.170	**0.365**
1.300	10	**1.339**	**-228.0**	-226.4	-252.8	**-139.0**	**1.335**	1.277	**1.230**
2.500	**Netherlands** 2	**1.204**	**38.8**	-16.6	-15.9	**111.4**	**0.650**	0.812	**1.931**
4.000	10	**3.409**	**-21.0**	-18.3	-34.4	**139.2**	**3.416**	3.461	**4.012**
3.200	**Portugal** 2	**1.383**	**56.7**	80.4	37.6	**118.0**	**1.620**	1.347	**1.997**
4.750	10	**4.187**	**56.8**	67.9	20.6	**212.3**	**4.278**	4.011	**4.743**
5.350	**Spain** 2	**1.471**	**65.5**	71.9	52.6	**159.0**	**1.535**	1.497	**2.407**
4.000	10	**4.069**	**45.0**	52.2	13.2	**175.5**	**4.121**	3.937	**4.375**
2.750	**Switzerland** 2	**0.553**	**-26.3**	-26.1	-38.9	**-34.6**	**0.555**	0.582	**0.471**
2.250	10	**2.030**	**-158.9**	-157.5	-186.5	**-38.6**	**2.024**	1.940	**2.234**
3.250	**U.K.** 2	**1.277**	**46.1**	44.0	34.6	**65.1**	**1.256**	1.317	**1.468**
4.500	10	**3.908**	**28.9**	32.2	19.1	**106.4**	**3.921**	3.996	**3.684**
1.000	**U.S.** 2	**0.816**	**...**	...	...	**...**	**0.816**	0.971	**0.817**
3.375	10	**3.619**	**...**	...	...	**...**	**3.599**	3.805	**2.620**

Source: Thomson Reuters

U.S. Treasury yield curve

The curve shows the yield to maturity of current bills, notes and bonds; all data as of 3 p.m. ET.



Ryan Index	Yield to maturity	Modified duration	TOTAL RETURN Month to-date	Quarter to-date	Year to-date	12-month
30-year Treasury	**4.509%**	16.28	2.34%	2.34%	2.34%	–15.99%
10-year Treasury	**3.597**	8.22	2.20	2.20	2.20	–4.83
7 Year Treasury	**3.074**	6.17	2.15	2.15	2.15	...
Five-year Treasury	**2.339**	4.61	1.76	1.76	1.76	1.44
Ryan Index	**2.618**	6.68	1.71	1.71	1.71	–2.52
3 Year Treasury	**1.375**	2.91	1.11	1.11	1.11	2.37
Two-year Treasury	**0.813**	1.92	0.70	0.70	0.70	1.95
1 Year Treasury	**0.284**	0.97	0.21	0.21	0.21	1.17
Six-month Treasury	**0.142**	0.50	0.04	0.04	0.04	0.63
Ryan Cash Index-a	**0.124**	0.45	0.06	0.06	0.06	0.58
Three-month bill	**0.061**	0.25	0.01	0.01	0.01	0.36
One-month bill	**0.010**	0.07	...	...	...	0.14

a-Performance of a cash investment

Source: Ryan ALM

Key money rates

	Latest	52 wks ago
Prime rates		
U.S.	**3.25%**	3.25%
Canada	**2.25**	3.00
Japan	**1.475**	1.475
Britain	**0.50**	1.50
ECB	**1.00**	2.00
Switzerland	**0.52**	0.52
Australia	**3.75**	4.25
Hong Kong	**5.25**	n.a.
Libor		
One month	**0.23063%**	0.40875%
Three month	**0.24875**	1.18375
Six month	**0.38563**	1.67250
One year	**0.86063**	1.96625

	Latest	52 wks ago
Euro Libor		
One month	**0.39250%**	1.80000%
Three month	**0.61375**	2.14250
Six month	**0.93000**	2.25000
One year	**1.19625**	2.34250
Hibor		
One month	**0.07107**	0.34714%
Three month	**0.13071**	0.94929
Six month	**0.27000**	1.25000
One year	**0.57857**	1.70000
Asian dollars		
One month	**0.2493%**	0.41%
Three month	**0.2610**	1.1800
Six month	**0.4083**	1.6250
One year	**0.8767**	1.9025

	Offer	Bid
Eurodollars		
One month	**0.3000%**	0.2000%
Three month	**0.3500**	0.2500
Six month	**0.5500**	0.3500
One year	**0.8500**	0.5000

	Latest	52 wks ago
U.S. discount	**0.50%**	0.50%
Fed-funds target	**0.25**	0.25
Call money	**2.00**	2.00
Overnight repurchase rates		
U.S.	**0.18%**	0.23%
U.K. (BBA)	**0.502**	1.387
Euro zone	**0.30**	1.10

Sources: WSJ Market Data Group; Reuters

MARKETS LINEUP

Moving the markets

At right, Japan's benchmark stock index and the biggest movers among the larger Asian stocks indexes and stocks Monday. Below each index are its most actively traded stocks. The charts show the percentage change in each index's or stock's value, rather than the point change, for purposes of comparison. The index level or stock price is indicated on each axis. All indexes and stocks are shown in local currency terms.

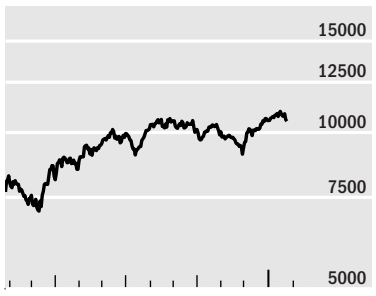
WSJ.com

Follow the markets throughout the day, with updated stock quotes, news and commentary at **WSJ.com.**.
Also, receive emails that summarize the day's trading in Europe and Asia.
To sign up, go to **WSJ.com/Email**

Asian index movers...

Nikkei Stock Average
Japan 10512.69
▼ **0.74% or 77.86**

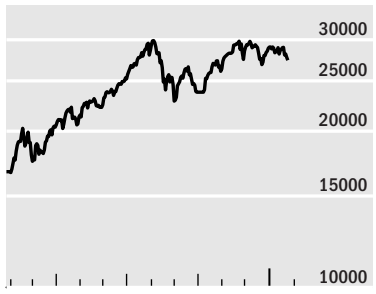
Real-estate and insurance stocks were weak as Tokyo shares slid. Mitsubishi Estate lost 2.2%. Kirin Holdings fell 1.3% on concerns over its planned merger with Suntory.



Stock	Volume in millions	Close	Change Net	Change %
HITACHI	**117.72**	322	6	1.90
MIZUHO FINANCIAL	**106.29**	188	–2	–1.05
MITSUB UFJ FG	**89.62**	487	–6	–1.22
SMFG	**40.88**	3,000	unch	...
NOMURA HOLDINGS	**35.64**	698	–9	–1.27

CBN 600
China 27394.90
▼ **1.26% or 350.69**

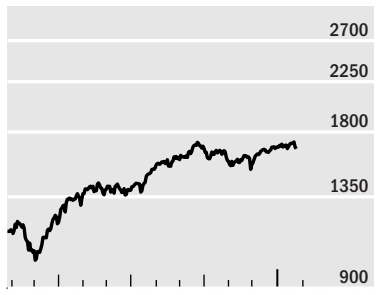
Banks led the market lower due to concerns over fund raising. Bank of China fell 0.5%, China Construction Bank dropped 1.8% and China Merchants Bank fell 2.6%.



Stock	Volume in millions	Close	Change Net	Change %
Hebei Steel	**348.80**	6.21	–0.88	–12.41
Icbc	**147.37**	5.03	–0.05	–0.98
United Network	**138.48**	7.01	–0.27	–3.71
ChinaMinshengBkg	**121.77**	7.63	–0.15	–1.93
Constr Bank	**116.48**	5.91	–0.11	–1.83

Kospi
South Korea 1670.20
▼ **0.84% or 14.15**

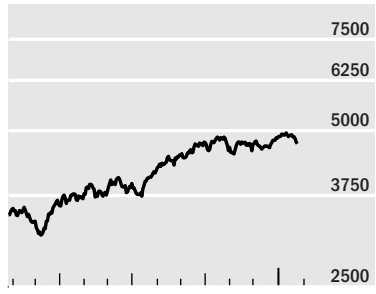
Most bank and brokerage stocks fell. KB Financial lost 2.6% and Woori Finance fell 4.6%. Nuclear-power-related firms slid on profit-taking; Korea Electric Power shed 6.2%.



Stock	Volume in millions	Close	Change Net	Change %
Korea Data Sys	**109.44**	485	60	14.12
Samyang Optics	**50.12**	1,550	–60	–3.73
Baemyung Metal	**41.82**	1,550	–240	–13.41
Mirae	**18.79**	340	25	7.94
Kec	**18.23**	1,410	30	2.17

ASX 200
Australia 4717.86
▼ **0.69% or 32.76**

The market slipped for a third consecutive day. Financials were weak. Westpac was off 1.8% and ANZ down 1.6%. BHP Billiton fell 1.1%, while Rio Tinto edged up 0.6%.



Stock	Volume in millions	Close	Change Net	Change %
Boart Longyear	**48.71**	0.37	unch	...
Telstra	**41.20**	3.45	0.08	2.37
GPT Group	**37.48**	0.55	–0.01	–0.90
Lihir Gold	**32.38**	3.05	–0.01	–0.33
MacquarieOffTrust	**25.51**	0.30	0.01	1.69

Asian stocks in the news

Sun Hung Kai Prop
Hong Kong HK$106.20
▲ **2.1% or HK$2.20**

Goldman Sachs said concerns on potential Hong Kong housing bubble are overdone, lifting shares.

Price-to-earnings ratio	**26**
Earnings per share, past four quarters	**4.04**
Dividend yield	**2.4**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Real Estate	**-0.9%**	-3.8%	51.3%
Sun Hung Kai Prop	**2.1%**	-2.2%	62.1%

中国实时报
CHINAREALTIMEREPORT
Your comprehensive resource for news and analysis on China, covering the hottest topics of the day in business, finance, law, policy, economics and culture.
In English at asia.WSJ.com/chinarealtime
In Chinese at cn.WSJ.com/chinarealtime
Join the conversation today.

Telstra
Australia A$3.45
▲ **2.4% or A$0.08**

The telecom firm advanced along with a rise in defensive stocks.

Price-to-earnings ratio	**10**
Earnings per share, past four quarters	**0.33**
Dividend yield	**4.1**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Telecommunications	**-0.1%**	-0.8%	10.7%
Telstra	**2.4%**	2.4%	-5.2%

CITIC Pacific
Hong Kong HK$17.32
▼ **2.6% or HK$0.46**

Shares continued to slide after crashing 11% in the past week.

Price-to-earnings ratio	**none**
Earnings per share, past four quarters	**-6.87**
Dividend yield	**0.9**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Indus Gds & Svcs	**-0.5%**	-4.0%	61.9%
CITIC Pacific	**-2.6%**	-11.5%	95.5%

Agile Prop
Hong Kong HK$10.30
▼ **2.8% or HK$0.30**

The stock fell for a fourth straight day, bringing its four-day fall to 9.3%.

Price-to-earnings ratio	**19**
Earnings per share, past four quarters	**0.54**
Dividend yield	**1.2**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Real Estate	**-0.9%**	-3.8%	51.3%
Agile Prop	**-2.8%**	-5.9%	282.9%

China Mengniu Dairy
Hong Kong HK$24.45
▼ **3.4% or HK$0.85**

The dairy company fell for a third consecutive session, for a three-day loss of 11%.

Price-to-earnings ratio	**none**
Earnings per share, past four quarters	**-0.64**
Dividend yield	**none**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Food & Beverage	**-1.0%**	-3.4%	41.8%
China Mengniu Dairy	**-3.4%**	-9.4%	141.6%

Shimao Prop
Hong Kong HK$12.08
▼ **3.4% or HK$0.42**

Hong Kong-listed mainland developers were hammered again.

Price-to-earnings ratio	**32**
Earnings per share, past four quarters	**0.38**
Dividend yield	**1.9**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Real Estate	**-0.9%**	-3.8%	51.3%
Shimao Prop	**-3.4%**	-5.5%	150.6%

Macquarie Infrastre Grp
Australia A$1.25
▼ **15.5% or A$0.23**

The Australian company spun off its Macquarie Atlas Roads unit.

Price-to-earnings ratio	**none**
Earnings per share, past four quarters	**-0.74**
Dividend yield	**8.0**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Indus Gds & Svcs	**-0.5%**	-4.0%	61.9%
Macquarie Infrastre Grp	**-15.5%**	-16.4%	-18.8%

HEARD ON THE STREET

Email: heard@wsj.com FINANCIAL ANALYSIS & COMMENTARY WSJ.com/Heard

Shaky governance in India

It's easy to ignore corporate-governance hounds when the going is good.

Consider India. Foreign buyers are pushing stock prices toward all-time highs, drawing a new wave of Indian companies to the public markets. Some 50 applications for new listings on India's stock markets—worth about $6.3 billion—are pending, says Firstcall India Equity Advisors.

Flash back a year and markets were reeling from a huge fraud at **Satyam Computer Services** as investors re-evaluated India on the basis of governance risk. Does the market's return mean India has its governance problems sorted out? Hardly.

A year after the Satyam scandal erupted, investor protections remain weak, a recent study by the Asian Corporate Governance Association concluded. In particular, this creates problems for minority investors in the family-owned businesses that are so common in India.

For example, controlling shareholders can strike deals even when conflicts of interest are readily apparent.

By comparison, in Hong Kong and Singapore, companies making sizable deals of this nature need the approval of independent investors.

Another complaint? The practice of allowing the controlling family to buy stock at below-market prices through the use of preferential warrants. Ostensibly to raise funds, the move nevertheless erodes minority ownership.

Moreover, minority investors have to be physically present to vote at shareholder meetings, meaning proxies can neither speak at meetings nor participate in the most common show-of-hands votes.

Company boards can be conflict-riddled. New York-based Governance Metrics International assigns a "below average" score to real-estate firm **DLF** because three of the company's 12 directors are members of the controlling Singh family, and an executive sits on the audit committee. DLF, in response, says it meets legal requirements.

DLF isn't alone in facing this criticism. India's real-estate companies are often picked on by governance advocates who raise problems with everything from lack of disclosure on land payments to the way revenue is recorded. Real-estate stocks dropped 21% in the two-week drop that followed news of fraud at Satyam.

Few firms seem interested in adopting more transparent practices, ACGA says, and investors who run into governance problems have few avenues for meaningful complaint.

"If a minority shareholder doesn't like the way a business is being run, at best he can exit profitably," says Deval Patel, a Mumbai based lawyer who advises foreign investors.

For Asia's most expensive stock market, that is hardly good enough.

—Harsh Joshi

Will China make a point with 3Com?

What is the best fear gauge for U.S. companies operating in China? An obvious one is how well the shares of **Google**'s local rival **Baidu** are performing. After all, Google is still discussing with the Chinese government whether or not it will quit the country. Another is **3Com**.

Hewlett-Packard has offered $2.7 billion to buy the maker of networking gear, a deal it intends to close in the next few months. Though both are listed in the U.S., 3Com's biggest business in based in China, giving Beijing's antitrust regulator power over the deal. The Chinese Ministry of Commerce, or Mofcom, is notoriously opaque and unpredictable. Two recent steel mergers collapsed because the regulator never announced a decision.

So no surprise 3Com stock trades at an unusually large discount to H-P's $7.90-a-share offer. In early January, 3Com traded at a discount of around 4%, roughly double what risk arbitragers say it would have been without the Mofcom factor. Then Jan. 13, the day after Google threatened to quit China, the spread widened to 5%, with volume triple the average for the prior month.

> 3Com's biggest business is based in China, giving Beijing's antitrust regulator power over the H-P deal.

Why the Google hit? Fears have intensified that China, feeling squeezed by a huge, popular U.S. company and its government, will fight back. For starters, the U.S. blocked a bid by China's **Huawei Technologies** and **Bain Capital** for 3Com in 2008 to keep certain security software out of Chinese hands.

If Mofcom sticks with its mandate to prevent firms from gaining excessive market share, a green light looks certain. An H-P deal would simply switch one U.S. owner for another. But investors should be on guard in case Beijing decides to flex its muscles.

—John Jannarone

Bank of China leaves investors wondering

The first concrete plans from a major Chinese bank to raise new capital have yielded more questions than answers.

Bank of China wants to sell as much as $5.9 billion in convertible bonds and is considering—eventually—selling stock equivalent to 20% of its existing share capital, either in Shanghai or Hong Kong.

Investors have been worried about the coming capital issuance; the bank's Hong Kong-listed stock is down 23% since mid-November. Of all the top Chinese banks, Bank of China was the most zealous in pushing loans out last year, with its lending book growing 38%.

But uncertainty persists over both the timing of the capital raising and whether it will prove enough to satisfy China's ever more hawkish banking regulator.

Of the top four listed banks, Bank of China has the lowest capital-adequacy ratio, at 11.63%. Any boost to that from a convertible-bond issue may not allay the need for more share issuance. With bad-debt charges likely to start rising this year, Credit Suisse estimates Bank of China's capital ratio will still only be 11.36% by the end of 2010, not enough if the regulator now has a minimum of 12% in mind.

Stretching out the recognition of bad loans could keep Bank of China's capital levels up for longer, though that would further muddy the waters. Still, if other Chinese banks follow its lead in looking to raise capital, Bank of China may soon find itself the laggard in terms of balance-sheet strength again.

One further large overhang threatens Bank of China's plans: In the pipeline this year also lies the planned initial public offering of **Agricultural Bank of China**, a listing likely to be worth upward of $15 billion. If Beijing sees that share offering as its main priority, Bank of China's—and the other banks'—plans to raise capital could take a back seat.

On the other hand, Bank of China's plans may be part of a coordinated strategy to clean up the already listed banks before launching Agricultural Bank on the markets. Either way, the sooner Bank of China can finalize its convertible-bond issue, the better.

—Andrew Peaple

For MSCI, it was the right indexes at the right time

When explorers set sail, it's hard to know who will return with riches or come down with scurvy. But once a treasure rush is on, a trusted compass-maker is sure to profit handsomely.

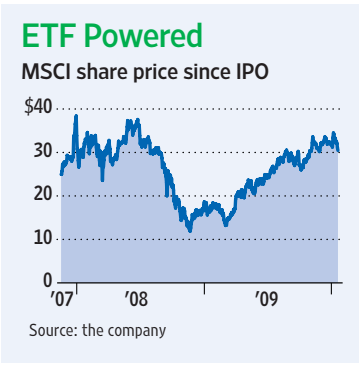
So it went for the stampede into international stock markets last year. Inflows into U.S. exchange-traded funds focused on international equities totaled $29 billion in 2009, according to Morningstar's John Gabriel. Some 70% of that money went into ETFs linked to indexes provided by **MSCI**, a former unit of Morgan Stanley that went public in 2007.

That has helped MSCI's stock rise 71% since the start of 2009 through Friday. The company collects a few hundredths of a percentage point on assets managed by MSCI-linked ETFs. Heavy inflows and surging stock markets helped revenue from MSCI's ETF business jump 69% to $23 million in its November 2009 quarter. While the ETF business accounts for just 19% of revenue, it is MSCI's key growth driver.

Will the party go on? Some think so, with MSCI trading at a cool 23.4 times consensus earnings for the year ending November 2010. But a vital question is how MSCI would fare in flat or declining markets.

MSCI-linked ETF assets nearly doubled in the year through November, to $234 billion from $119 billion, helped by rising stock valuations.

For a while, MSCI should continue to benefit from flows into the largest ETFs linked to its indexes. Some 59% of MSCI-linked ETFs are managed by market leader **BlackRock**. It is true that managers such as **Old Mutual** have a chance to win business by using other indexes and undercutting BlackRock's fees, but such ETFs can't yet compete on liquidity.



A greater risk is that investors pull out of international markets. While all the rage now, a look back to the 1990s shows how quickly things can change. The MSCI Emerging Markets Index fell 58% between September 1994 and August 1998, as the S&P 500 rose 107%.

New ETFs wouldn't be big enough to offset such a fall. ETFs launched last year contributed only $6.4 billion of extra MSCI-linked assets.

True, the rest of MSCI's business should stay on a steadier course through any market turmoil.

But that in itself isn't enough to justify MSCI's current valuation. If ETF revenue slips, investors could find themselves sick at sea.

—John Jannarone

Published by Dow Jones Publishing Company (Asia). Printed in Hong Kong by Superflag Advertising and Communication Limited, 8 Chun Ying Street, NT. Printed in Indonesia by PT Gramedia Printing Group, Jalan Palmerah Selatan 22-28, Jakarta 10270. Printed in Japan by Yomiuri Shimbun, 1-7-1 Otemachi, Chiyoda-ku, Tokyo 100-8055. Printed in Korea by JoongAng Ilbo, 7, Soonwha-Dong, Chung-Ku, Seoul 100-130, 1997 June 04 Registration no: SeoulKA00020 (Daily Newspaper). Publisher/Editor/Printer: Song Pil-Ho. Printed in Malaysia by KHL Printing Co. Sdn. Bhd. (ROC No: 235060-A) Lot 10 & 12, Jalan Modal 23/2, Seksyen 23 Kawasan Miel Phase 8, 40000 Shah Alam, Selangor, Malaysia. Printed in Philippines by FEP Printing Corporation, 3837 Mascardo St., Corner Metropolitan Ave., Pasong Tamo, Makati City. Printed in Singapore by KHL Printing Co. Pte Ltd., 57 Loyang Drive, Singapore 508968. Printed and distributed in Taiwan by The China Post, 8 Fu Shun Street, Taipei 104. Printed in Thailand by Nation Multimedia Group Public Co., Ltd., 1854 Bangna-Trad Road, (KM. 4.5), Prakanong, Bangkok 10260. Published and printed on behalf of the Wall Street Journal India Publishing Pvt Ltd, 517B World Trade Centre, Barakhamba Lane, New Delhi 110001 by Mr Suman Dubey at A-8 Sector 7, Gautam Budh Nagar, Noida -201301 and PLOT NoEL208, TTC Industrial Area, Mahape, Navi Mumbai - 400710 (Maharashtra), India. Editor: Suman Dubey, phone: +91-11-6462 0215. ACP no. F2 (T/3) Press / 2009 FACSIMILE EDITION.